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Report on the activities of the Office of Internal Oversight Services

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Activities of the Office of Internal Oversight Services on peacekeeping operations for the period 1 January to 31 December 2012

Report of the Office of Internal Oversight Services

Summary

The present report is submitted in conformity with General Assembly resolutions 48/218 B (para. 5 (e)), 54/244 (paras. 4 and 5), 59/272 (paras. 1-3) and 64/263 (para. 1). It covers the oversight activities of the Office of Internal Oversight Services related to peace operations during the 12-month period from 1 January to 31 December 2012.

The Office of Internal Oversight Services issued 160 oversight reports related to peace operations in 2012. The reports included 305 recommendations to improve internal controls, accountability mechanisms and organizational efficiency and effectiveness. Of those recommendations, 42 were classified as critical to the Organization. The report of the Office on its non-peacekeeping oversight activities for the period from 1 July 2011 to 30 June 2012 is contained in document A/67/297 (Part I) and Add.1.

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Preface

I am pleased to submit the present report to the General Assembly on the activities of the Office of Internal Oversight Services (OIOS) in peace operations during the 12-month period ending 31 December 2012.

This period has been particularly challenging for the Investigations Division operations. Having completed the three-year pilot for the Division implemented pursuant to General Assembly resolution 63/287, OIOS finalized its comprehensive report on the experience and lessons learned from the pilot, and outlined a proposal in the context of the 2013-2014 budget for reorganizing the Division. The proposal provides for dedicated mission-based teams, where investigation volumes warrant, supplemented by regional teams with specialized skills and additional resources to be deployed temporarily to other missions to conduct investigations and to help mission-based teams cope with temporary spikes in requirements. While OIOS believes that the proposal, if accepted, will create better working conditions for the investigators, any proposed change produces uncertainty and OIOS is working diligently to communicate with staff and clients in order to manage expectations accordingly.

I am very grateful for the cooperation and support provided by senior management and the Secretary-General to the activities of OIOS during the reporting period. I believe the added focus by the Management Committee on the results of the oversight activities has improved OIOS effectiveness by increasing the visibility of results and management's response thereto. Management's willingness to engage constructively in internal oversight activities and to involve OIOS in critical managerial discussions, even as an observer, is particularly helpful to ensuring that OIOS efforts contribute to identifying sustainable solutions to the pressing issues and challenges facing the Organization.

I also appreciate the dedication, professionalism and commitment of OIOS staff in delivering results in often very challenging circumstances — results in which they justifiably take pride.

(*Signed*) Carman L. **Lapointe**
Under-Secretary-General for Internal Oversight Services

I. Introduction

1. During the reporting period, from 1 January to 31 December 2012, the Office of Internal Oversight Services (OIOS) issued 160 oversight reports related to peace operations. The reports included 64 internal audit, 94 investigation and 2 evaluation reports.

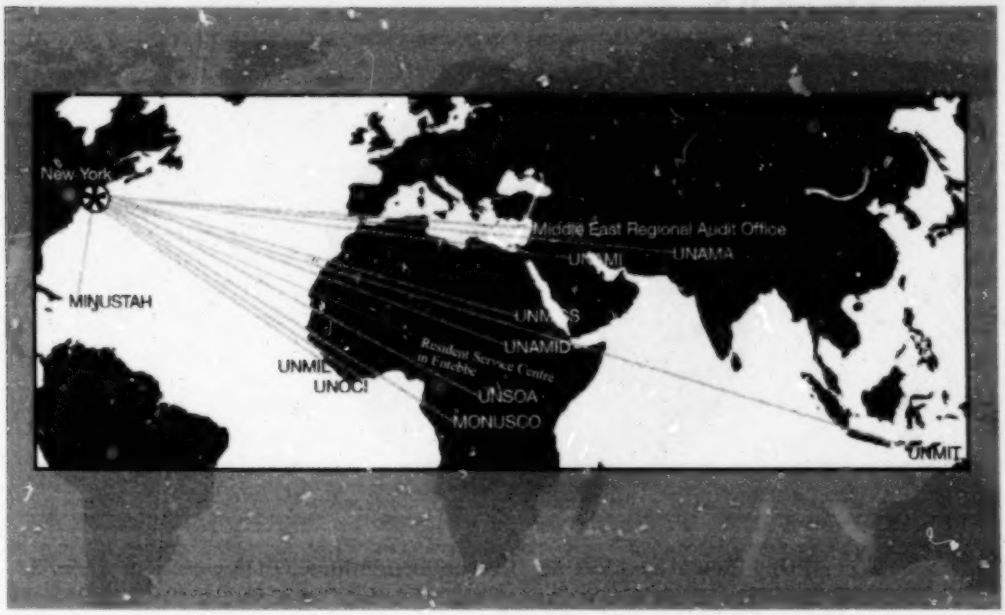
2. The present part of the report of OIOS pertains exclusively to the oversight of United Nations peace operations, which includes the Department of Peacekeeping Operations, the Department of Field Support, the peacekeeping missions that fall under the authority of those Departments and the special political and peacebuilding missions led by the Department of Political Affairs and the Department of Peacekeeping Operations, supported by the Department of Field Support and the Department of Management. The report of the Office on its non-peacekeeping oversight activities for the period from 1 July 2011 to 30 June 2012 is contained in document A/67/297 (Part I) and Add.1.

II. Overview

A. Internal Audit Division

3. The Peacekeeping Audit Service of the Internal Audit Division operates out of New York and through resident audit offices based in 10 missions, one office and the Regional Service Centre in Entebbe, Uganda (see figure I), including the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO), the United Nations Mission in Liberia (UNMIL), the United Nations Operation in Côte d'Ivoire (UNOCI), the United Nations Stabilization Mission in Haiti (MINUSTAH), the United Nations Mission in South Sudan (UNMISS), the United Nations Assistance Mission for Iraq (UNAMI), the United Nations Assistance Mission in Afghanistan (UNAMA), the African Union-United Nations Hybrid Operation in Darfur (UNAMID), the United Nations Integrated Mission in Timor-Leste (UNMIT), the United Nations Support Office for the African Union Mission in Somalia (UNSOA) and the Middle East Office, which covers the United Nations Interim Force in Lebanon (UNIFIL), the Office of the United Nations Special Coordinator for the Middle East Peace Process (UNSCO), the United Nations Peacekeeping Force in Cyprus (UNFICYP), the United Nations Disengagement Observer Force (UNDOF) and the United Nations Truce Supervision Organization (UNTSO). The resident audit office in Entebbe was established with a small team responsible for the global field support strategy and another team linked to the three large missions, namely, UNAMID, MONUSCO and UNMISS.

Figure I
OIOS Resident Audit Offices



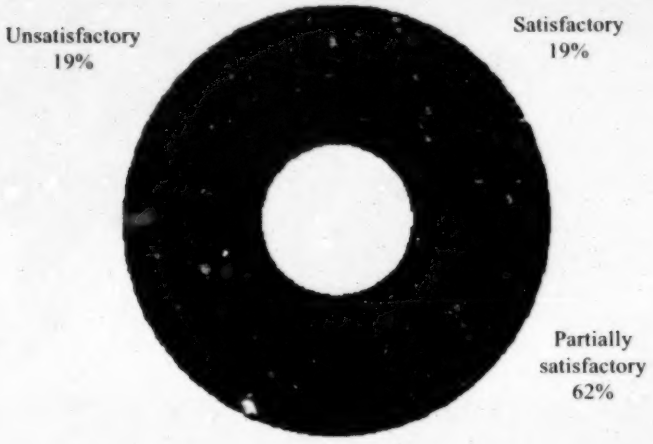
4. In New York, the Peacekeeping Audit Service oversees and provides technical and administrative support to resident audit offices and conducts audits of the Department of Peacekeeping Operations, the Department of Field Support, the Department of Political Affairs and smaller peacekeeping and special political missions where there are no resident auditors. The Service is assisted by specialists from the Special Assignments Section and the Information and Communication Technology Audit Section. The specific expertise of these staff members complements the work of the resident auditors and ensures consistency and depth in auditing cross-cutting areas.

Strengthening the effectiveness of internal audit reports

5. In a continuous effort to improve work processes and procedures, the Internal Audit Division undertook the initiatives set out below.

6. **Assignment of audit ratings.** Since July 2011, the Internal Audit Division has been assigning ratings to the overall opinions expressed in the internal audit reports regarding the adequacy and effectiveness of the governance, risk management and internal control processes examined. The ratings of "satisfactory", "partially satisfactory" and "unsatisfactory" clearly communicate the level of assurance provided by the audit work conducted, including the significance of deficiencies identified. Figure II shows the distribution of the ratings assigned to the 64 internal audit reports on peace operations issued during the reporting period.

Figure II
Distribution of audit ratings for 64 internal audit reports on peace operations, 1 January-31 December 2012



7. **More efficient monitoring of recommendations.** OIOS closely monitors the implementation of all outstanding recommendations on a regular basis. Follow-up on recommendations is conducted quarterly for critical recommendations and annually for important recommendations. The results of the follow-up are included in OIOS quarterly activity reports, which are submitted to senior management and set out in the addendum to part I of the OIOS annual reports that are issued during the main session of the General Assembly. In 2012, the Internal Audit Division issued 248 recommendations, including 33 critical and 215 important, related to peace operations. Table 1 below provides a breakdown of the critical and important audit recommendations issued to each department/mission during 2012 for matters related to peace operations.

Table 1
Number of critical and important peace operations-related audit recommendations issued in 2012

	Recommendations		
Client	*Critical*	*Important*	***Total***
Department of Field Support	3	28	**31**
Department of Political Affairs	2	13	**15**
Department of Peacekeeping Operations		14	**14**
MINUSTAH	2	18	**20**
MONUSCO	4	26	**30**
UNAMA	1	7	**8**
UNAMI	6	13	**19**

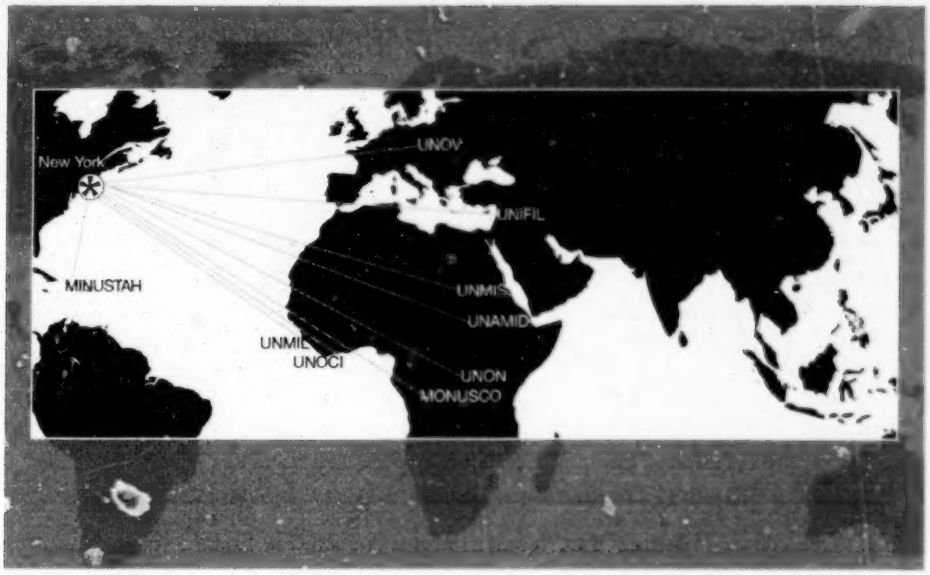
Client	Recommendations		Total
	Critical	*Important*	
UNAMID	7	20	**27**
UNFICYP		4	**4**
UNIFIL		4	**4**
UNMIL	3	23	**26**
UNMIS		1	**1**
UNMISS	2	5	**7**
UNMIT		10	**10**
UNOCI		8	**8**
United Nations Regional Centre for Preventive Diplomacy for Central Asia		5	**5**
UNSCO		9	**9**
UNSOA	3	7	**10**
Total	**33**	**215**	**248**

8. **Horizontal audits.** The Internal Audit Division is making greater use of horizontal audits to identify systemic strengths and weaknesses across peace operations, to assess whether adequate policies and instructions have been developed and implemented and to determine whether appropriate monitoring and oversight occurs. Horizontal audits have highlighted the need for policy reviews and procedural changes and have facilitated knowledge sharing. In 2012, OIOS issued one horizontal report on the readiness of information and communications technology (ICT) systems to implement International Public Sector Accounting Standards (IPSAS) and the enterprise resource planning project, Umoja, in peacekeeping missions. An additional five horizontal reports are under way, for completion in 2013. The topics of the audits include: (a) contingent-owned equipment; (b) waste management; (c) rations management; (d) IPSAS preparedness; and (e) IPSAS implementation.

B. Investigations Division

9. The Investigations Division, with its headquarters in New York, also operates through two regional centres (in Nairobi and Vienna) and resident investigation offices in seven peacekeeping missions: MONUSCO, UNMIL, MINUSTAH, UNAMID, UNOCI, UNMISS and UNIFIL (see figure III). Investigations at other missions are conducted by investigators based at Headquarters or in the regional centres.

Figure III
OIOS Investigations Division offices



Investigations process

10. The Investigation Intake Committee provides an auditable analytical approach to determine the appropriate action for matters received. The Committee's review of source information includes assessing the initial scope of possible investigations, applicable legal norms, receivability, jurisdiction, requirements for specialized investigative skills and the need for further clarification. The Committee may designate a reported matter for: (a) investigation by OIOS; (b) registration for information purposes; (c) referral to another, more appropriate entity for response; (d) suspension pending further clarification; or (e) further assessment.

11. The results of the investigations are classified into eight categories: procurement; management; inventory/assets; personnel; financial; programmatic, sexual harassment; and sexual exploitation and abuse. While matters for direct investigation by OIOS most commonly belong in the categories of procurement, financial, and sexual exploitation and abuse, peacekeeping-related matters may arise in all categories. Minor management, assets/inventory and personnel matters are referred to a more appropriate office for action, and only matters indicating serious financial or operational impacts are retained for investigation by OIOS. Matters involving procurement irregularities continue to be a priority, given the potential financial risks and impact on the integrity of organizational systems.

12. Upon the completion of the investigations, the Division issues three types of reports: an "investigation" report, issued when reported matters are substantiated through OIOS investigations; a "contingent" report, used to present, through the Department of Field Support to the Government of a troop-contributing country, evidence implicating the country's peacekeepers; or a "closure" report, issued when OIOS investigations do not substantiate reported matters.

13. In 2012, the Investigations Division closed 95 matters concerning peace operations and issued 94 reports, including 42 closure reports, 25 contingent reports and 27 investigation reports. The number of intake matters designated for investigation during the reporting period was 69, a 42 per cent decrease compared with the previous year. The decrease in new investigations conducted between 2011 and 2012 is largely attributed to the decrease in the number of sexual exploitation and abuse matters reported. As at 31 December 2012, the Investigations Division had 122 cases under investigation (see table 2).

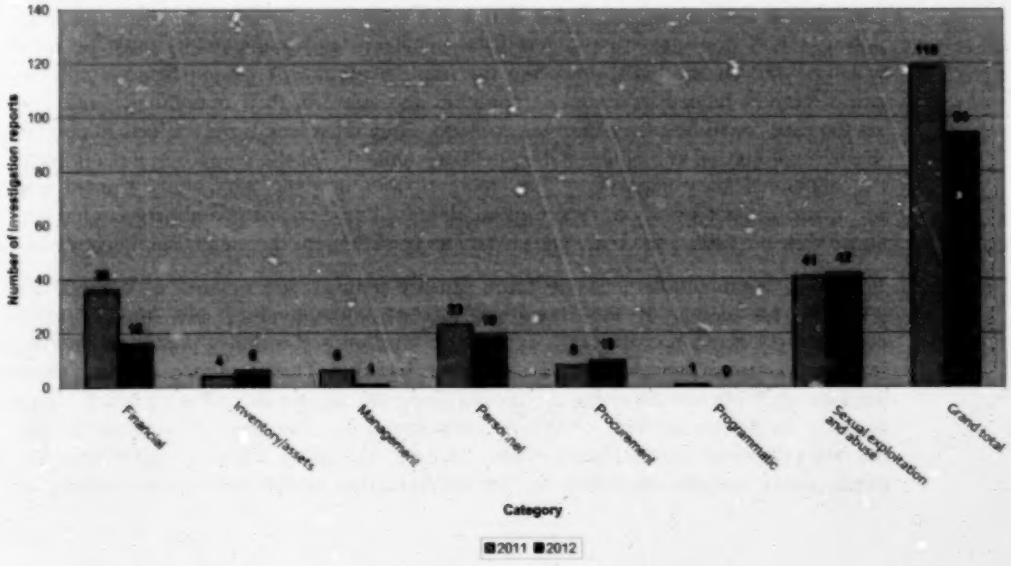
Table 2
Case flow of peace operations

	Investigations			
Year	*Open at start of year*	*Opened during year*	*Closed during year*[a]	*Open at year-end*
2011	139	119	110	148
2012	148	69	95	122

[a] The number of investigations closed may differ from the number of reports issued owing to timing differences.

14. Sexual exploitation and abuse remains a significant area of concern, with the greatest number of such offences being committed by uniformed personnel. Forty-five per cent (42 cases) of the completed investigation reports issued were related to reports of sexual exploitation and abuse involving minors or non-consensual sex violations, 1 case more than in the previous year. Figure IV provides a breakdown of the investigation reports issued.

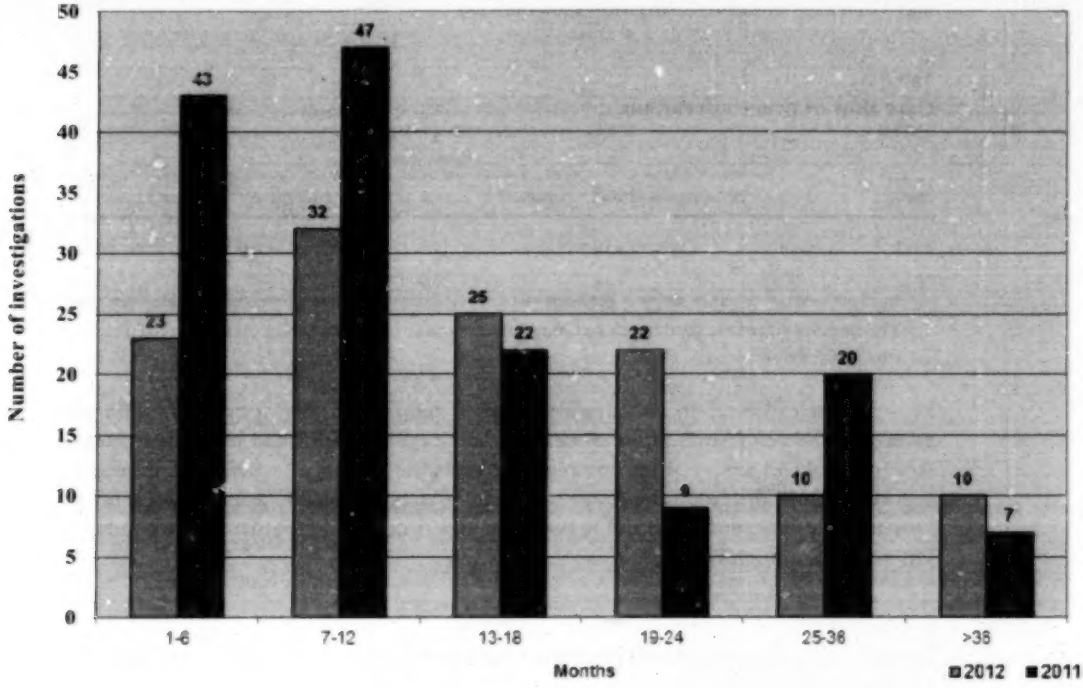
Figure IV
Investigation reports related to peace operations issued during 2011 and 2012, by category



15. The number of peace operations investigations pending for 12 months or more was 67 as at 31 December 2012, compared with 58 as at 31 December 2011. Figure V provides a breakdown of the pending peace operations investigations as at 31 December 2011 and 2012.

Figure V

Length of pending peace operations investigations as at 31 December 2011 and 2012



16. While there has been a decrease in the number of reported instances of sexual exploitation and abuse, continued efforts are required to enforce the zero tolerance policy. OIOS considers that supervisors, managers and commanders must be fully involved and committed to ensuring the implementation of United Nations policies and directives related to sexual exploitation and abuse in their operations since they set the tone for those under their supervision. They must lead timely efforts to combat sexual exploitation and abuse and be held accountable for the inappropriate actions of the personnel they supervise. This requires that they be adequately trained and sensitized and act swiftly to report all incidents. Allegations of sexual exploitation and abuse reflect a failure to create and sustain an environment that deters such behaviour.

17. The Organization needs to more closely monitor the manner of compliance with the provisions of the memorandums of understanding and how criminal conduct by United Nations staff, experts on mission and military personnel serving in United Nations peacekeeping operations is handled. This is particularly important because such crimes victimize the most vulnerable among those the United Nations actually seeks to protect. OIOS is encouraged by the ongoing efforts of the Secretary-General to address these issues, including strictly enforcing the mechanisms already available to the Organization under the memorandums of

understanding, and increasing the transparency of reporting performance and compliance by participating parties.

18. Ultimately, if OIOS is expected to respond effectively to incidents of sexual exploitation and abuse and other serious criminal acts, it must benefit from accurate and timely reporting of all such incidents, including identifying suspected perpetrators and ensuring their availability and cooperation during investigations.

C. Inspection and Evaluation Division

19. In 2012, the Inspection and Evaluation Division's risk-based planning for peacekeeping operations shifted its emphasis from evaluating the "whole of missions" to identifying risks based on thematic and cross-cutting issues. The rationale was that, given the complex and multidimensional nature of peacekeeping, the work products of the Division should address risk areas across all operations, rather than focus narrowly on single missions, in order to promote learning opportunities and sharing of successful practices.

20. The new focus is expected to help the Inspection and Evaluation Division to identify issues or themes across operations and missions, as well as good practices or effective approaches that may be relevant and useful to others, and address themes that are the subjects of intergovernmental discussions. While progressively shifting to this new approach, the Division may, nevertheless, undertake programme evaluations of specific peacekeeping missions, as and when needed, based on its risk assessments.

21. In 2012, the Division issued two reports to the General Assembly: a programme evaluation of performance and achievement of results of United Nations peacekeeping activities in the Democratic Republic of the Congo (A/66/741) and an evaluation of MINUSTAH (A/66/740 and Corr.1). The reports contained 18 recommendations, 12 critical and 6 important.

D. Staffing

22. Efforts to address vacancy rates throughout OIOS are continuing. The OIOS vacancy rate for peacekeeping as at 31 December 2012, was 18 per cent, an improvement of 7 per cent compared with the previous year (see table 3 below). The Office continues to enhance its recruitment strategy and has increased the use of rosters for staff selection.

Table 3
OIOS vacancy rates: 2011-2012

	As at 31/12/2011		*As at 31/12/2012*	
	Posts	*Per cent*	*Posts*	*Per cent*
Investigations Division	16	28	16	18
Internal Audit Division	21	24	11	20
Inspection and Evaluation Division	1	33	0	0
Executive Office	0	0	0	0
Total	**38**	**25**	**27**	**18**

E. Impediments to the work of the Office of Internal Oversight Services

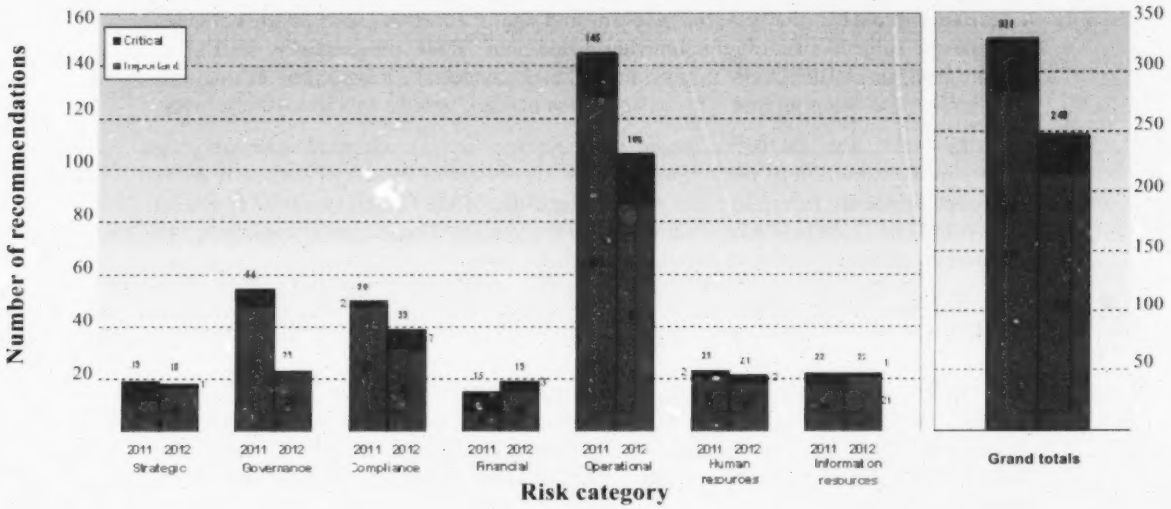
23. During 2012, there was no inappropriate scope limitation that impeded the Office's work or independence.

III. Oversight results

A. Classification of oversight results

24. Audit results are classified into seven risk categories: strategy; governance; compliance; finance; operations; human resources; and information.[1] The majority of audit recommendations issued in 2012 were classified as operations risk-related, as was the case in 2011 (see figure VI below).

Figure VI
Peacekeeping-related audit recommendations issued in 2011 and 2012, by risk category



B. Oversight results by department/mission

Cross-cutting issues: interna! audit activities

Readiness of information and communications technology systems to implement the International Public Sector Accounting Standards and Umoja in peacekeeping missions

25. During the period under review, OIOS conducted audits of the readiness of ICT systems to implement IPSAS and Umoja in MONUSCO, UNAMI and UNAMID. Key results are set out below.

[1] Definitions of these categories are set out in paragraph 30 of A/67/297 (Part I).

(a) Governance risk

Critical recommendations

26. *Audit of the readiness of ICT systems to implement IPSAS and Umoja in peacekeeping missions (AT2012/615/01).* UNAMID had not formalized and disseminated the business continuity plan it had developed in July 2011 throughout the Mission. In addition, both the business continuity and disaster recovery plans had not covered the four sector regions, the United Nations country teams and other high-risk areas such as medical and fuel management. The disaster recovery plan had not been signed off and formally adopted by management and needed to be reviewed in order to ensure alignment with the business continuity plan. A test of the disaster recovery plan conducted in June 2011 showed that the established recovery time objective had not been met. Untested disaster recovery plans could prevent the Mission from recovery of critical systems and data and ensure the continuity of its operations. OIOS recommended that UNAMID review, align and formalize its disaster recovery plan with the business continuity plan, ensuring that all high-risk areas are covered. UNAMID accepted the recommendation and implemented its disaster recovery plan in November 2012.

(b) Financial risk

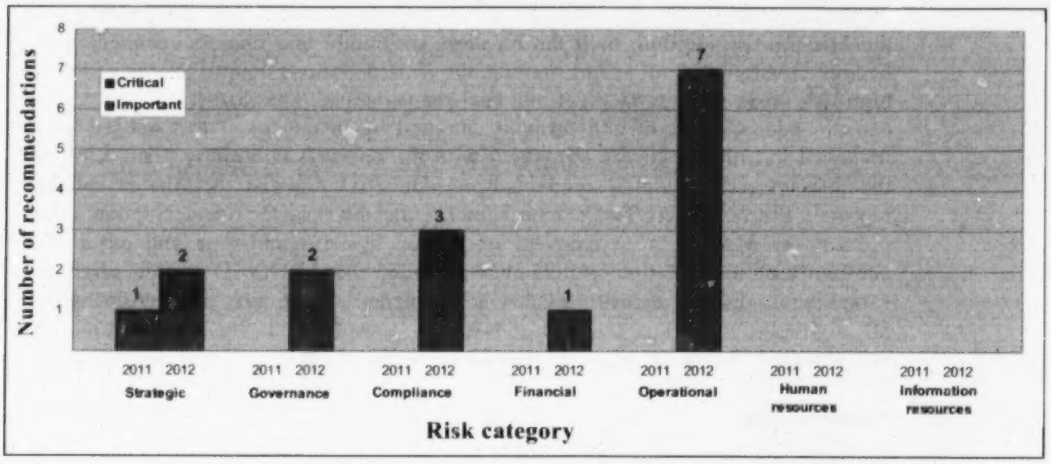
Critical recommendations

27. *Audit of the readiness of ICT systems to implement IPSAS and Umoja in peacekeeping missions (AT2012/615/01).* In MONUSCO, UNAMI and UNAMID, no ICT application was used for capturing the data required for the implementation of IPSAS, such as: (a) the costs associated with the insurance and movement of assets; (b) values of non-expendable property; and (c) the cost of labour associated with self-constructed assets. This was because the Office of Programme Planning and Budget Administration and the Information and Communications Technology Division of the Department of Field Support had not determined the applications and methods for capturing the data required for IPSAS. In the absence of consistent mechanisms to capture the required information, IPSAS opening balances might not be accurate or available when needed. MONUSCO, UNAMI and UNAMID accepted the recommendation to liaise with the Office of Programme Planning and Budget Administration and the Information and Communications Technology Division to determine how to record the cost of assets. Pending the deployment of Umoja, the Office of Programme Planning and Budget Administration has documented transitional arrangements in coordination with the Umoja team, offices away from Headquarters and other departments, including the Department of Field Support. The arrangements included an assessment of automated solutions to capture the data that will be required for the deployment of IPSAS.

Department of Political Affairs

Figure VII

Audit recommendations issued to the Department of Political Affairs in 2011 and 2012, by risk category



28. In 2012, OIOS issued 15 audit recommendations (see figure VII), and two audit reports to the Department of Political Affairs:

- *Electoral Assistance Division (AP2011/560/03)*
- *United Nations Integrated Peacebuilding Office in Sierra Leone (UNIPSIL) (AP2011/560/02)*

Key results are set out below.

(a) Strategy risk

Important recommendations

29. *Audit of the Electoral Assistance Division (AP2011/560/03).* The Department of Political Affairs and the United Nations Development Programme (UNDP) issued a note of guidance in 2001, which was updated in 2010, establishing the roles and responsibilities of the Department of Political Affairs and UNDP on electoral assistance. However, the roles and responsibilities of the other departments and agencies involved in electoral assistance and operational support were not defined in the note, creating the risk of duplication and ineffective governance and reporting procedures. The Inter-Agency Coordination Mechanism for United Nations Electoral Assistance, with the Electoral Assistance Division leading, drafted a document on the delineation of those roles and responsibilities in 2011; however, it has not been finalized. OIOS recommended that the Department of Political Affairs finalize the policy framework for the cooperation and coordination of United Nations entities involved in the provision of electoral assistance. The Department of Political Affairs accepted the recommendation and planned to finalize the policy framework in 2013.

(b) Operational risk

Important recommendations

30. *Audit of the United Nations Integrated Peacebuilding Office in Sierra Leone (UNIPSIL) (AP2011/560/02).* There was no record of the number and type of assets transferred to UNIPSIL from the preceding mission, the United Nations Integrated Office in Sierra Leone. Heads of units did not assign asset managers responsibility for the day-to-day management of assets resulting in: (a) movements of assets and discrepancies identified during physical counts not recorded or adjusted in Galileo; (b) inaccurate inventory records regarding the location of assets; and (c) delays in the write-off process for assets valued at over $5 million. OIOS recommended that UNIPSIL conduct a complete physical inventory and update its records accordingly. UNIPSIL accepted and implemented the recommendation.

(c) Compliance risk

Critical recommendations

31. *Audit of the United Nations Integrated Peacebuilding Office in Sierra Leone (UNIPSIL) (AP2011/560/02).* UNIPSIL had not been complying with the United Nations Procurement Manual, as follows: (a) six contracts had been awarded without competition to vendors that did not meet the established criteria for vendor registration; (b) the Chief Procurement Officer had signed three contracts with not-to-exceed amounts of $814,834, $1,815,652 and $105,000, which were in excess of the delegated procurement authority of $50,000; (c) contracts and respective amendments had been signed after their starting date; (d) performance bonds had been received late; and (e) procurement cases had not been submitted for review to the Local Committee on Contracts. OIOS recommended that UNIPSIL comply with the United Nations Procurement Manual and the authority delegated to the mission. UNIPSIL accepted and implemented the recommendation.

Important recommendations

32. *Audit of the Electoral Assistance Division (AP2011/560/03).* In October 2010, the Electoral Assistance Division developed a two-year plan to complete and issue a set of electoral policy and best practice documents. The target was too ambitious, and by the end of the first year only 2 of 55 documents had been finalized. The lack of guidance material may lead to inconsistencies in implementing electoral assistance projects. OIOS recommended that the Department of Political Affairs ensure that the Division develop and finalize the identified set of United Nations system-wide electoral policy documents by the end of 2012 and distribute them to all of the main partners involved in the provision of United Nations electoral assistance. The Department stated that a number of policy documents had been drafted and submitted to United Nations partners for comments through the Inter-Agency Coordination Mechanism for United Nations Electoral Assistance.

(d) Human resources risk

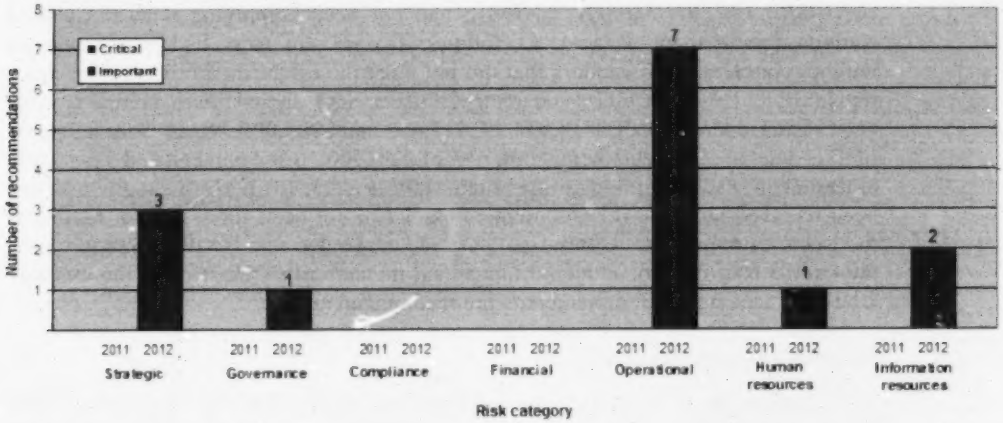
Critical recommendations

33. *Audit of the United Nations Integrated Peacebuilding Office in Sierra Leone (UNIPSIL) (AP2011/560/02).* UNIPSIL did not adequately determine its staffing requirements, adversely affecting its ability to carry out basic administrative and

support activities. For example, in 2011, UNIPSIL engaged 20 individual contractors and 112 outsourced staff to perform administrative and support functions, including core functions in payroll, cash and fuel management. There was no approved budget for these personnel, and the hiring was not reported in performance reports or communicated to Headquarters. As a result, UNIPSIL, which had a budget for 82 personnel but was supporting 210, overstretched its budget for administrative support. OIOS recommended that UNIPSIL, with the assistance of the Departments of Political Affairs and Field Support, review the staffing arrangements with the aim of developing optimal staffing requirements. Subsequent to the audit, UNIPSIL, with the support of those Departments, reviewed its staffing structure, and the assessed staffing requirements have been submitted to the legislative body for decision-making.

Department of Peacekeeping Operations

Figure VIII
Audit recommendations issued to the Department of Peacekeeping Operations in 2011 and 2012, by risk category



34. In 2012, OIOS issued 14 audit recommendations (see figure VIII) and four audit reports to the Department of Peacekeeping Operations:

- *Public Affairs Section of the Department of Peacekeeping Operations/ Department of Field Support (AP2012/600/01)*
- *Programme performance management in the Department of Peacekeeping Operations (AP2011/600/03)*
- *Office of Rule of Law and Security Institutions: Criminal Law and Judicial Advisory Service (AP2012/600/02)*
- *Disarmament, demobilization and reintegration operations (AP2011/600/02)*

Key results are set out below.

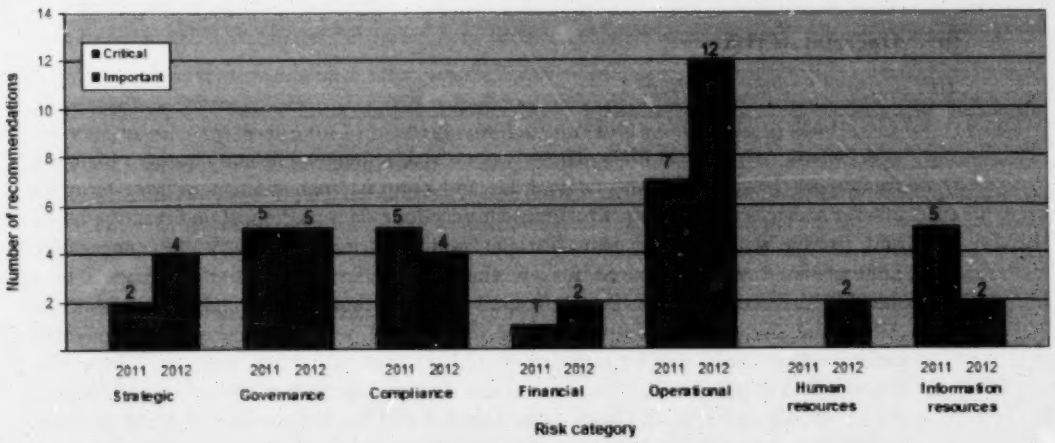
Compliance risk

Important recommendations

35. *Audit of programme performance management in the Department of Peacekeeping Operations (AP2011/600/03).* The Evaluation Unit of the Department of Peacekeeping Operations did not follow up on the implementation of its recommendations. This was contrary to the Department's policy on self-evaluation, which requires that follow-up action be taken twice a year. There were only two professionals in the Unit covering two large Departments (Department of Peacekeeping Operations/Department of Field Support), and the budget for the Unit had been reduced from $426,000 in 2009-2010 to $320,000 in 2011-2012. The lack of follow-up by the Evaluation Unit adversely affected the accountability of programme managers for the implementation of the recommendations endorsed by the senior leadership of the Department of Peacekeeping Operations and the Department of Field Support. OIOS recommended that the recommendations made by the Evaluation Unit be followed up periodically. The two Departments accepted and stated that they were exploring the means to effectively institutionalize systematic follow-up practices, while taking into consideration the required resource implications.

Department of Field Support

Figure IX
Audit recommendations issued to the Department of Field Support in 2011 and 2012, by risk category



36. In 2012, OIOS issued 31 audit recommendations (see figure IX) and six audit reports to the Department of Field Support:

- *Implementation of the global field support strategy (AP2011/615/05)*
- *Expansion, reconfiguration and transition of peacekeeping missions (AP2012/615/01)*

- *Acquisition of ICT equipment, software and services for peacekeeping operations (AT2011/615/02)*
- *Readiness of ICT systems to implement IPSAS (AT2012/615/01)*
- *Transportation and Movement Service (AP2011/615/03)*
- *Audit of acquisition and contract management of long-term air charter services agreements (AH2011/513/07)*

Key results are set out below.

(a) Strategy risk

Important recommendations

37. *Audit of the implementation of the global field support strategy (AP2011/615/05).* The Department of Field Support had not finalized a strategic end-state vision for the planned configuration and organizational structure for field support as part of the global field support strategy. As a result, proposals for transferring and reorganizing support processes had proceeded in the absence of defined structures and lines of accountability following the reconfiguration. This made it difficult to assess the resources, organizational implications and benefits of the implementation of the global field support strategy. OIOS recommended that once the end-state vision had been finalized, the Department should review and reconfirm the ongoing implementation activities of the strategy in order to ensure that they remained aligned with the strategy goals. The Department accepted the recommendation and stated that the end-state vision had been finalized and incorporated into the third annual progress report of the Secretary-General on the implementation of the global field support strategy (A/67/633).

(b) Operational risk

(i) Critical recommendations

38. *Audit of acquisition and contract management of long-term air charter services agreements (AH2011/513/07).* There was no risk management and strategic planning framework in place for the acquisition and contract management of long-term air charter services agreements. Procurement was done on a piecemeal and reactive basis, and similar requirements, even for the same mission area, were not aggregated. Statements of work prepared for air charter services described requirements in a manner that could often be associated with certain aircraft types and models. Additionally, missions routinely requested aircraft with a passenger and payload capacity that could not be justified, based on past utilization patterns. There was therefore no assurance that the acquisition of air transportation services was efficient, effective and economical. OIOS recommended that the Department of Field Support, in coordination with the Department of Management, develop an acquisition strategy and plan for air charter requirements and ensure that the statements of work described requirements in terms of logistical needs. In addition, it recommended that requests for air charter services should be approved based on historical and projected utilization patterns. The Department of Field Support accepted the recommendations and stated that it would expedite the development of an acquisition plan for air charter requirements, which would form the basis of an acquisition strategy. The Departments of Field Support and Management have invited experts to assist in developing a plan

to modify the solicitation method, with the aim of establishing performance-based specifications. The Department of Field Support has also requested that all field missions provide justification for air charter requests.

(ii) Important recommendations

39. *Audit of expansion, reconfiguration and transition of peacekeeping missions (AP2012/615/01).* Approximately $1.1 million of assets transferred from MINURCAT for shipment to other missions were kept in the Douala, Cameroon, seaport from July 2011 to July 2012 by the freight contractor. There was no schedule of delivery or work order indicating the contractor's obligation to deliver the shipment within a specified period. As a result, assets depreciated and may have deteriorated in storage if conditions were not optimal. In addition, after one year, receiving missions may no longer require those assets in their operations. The associated freight contractor charges had not yet been quantified by the Department of Field Support. OIOS recommended that the timelines for delivery should be specified in freight contracts or schedules of work with a penalty imposed on a freight contractor for failing to deliver within specified timelines. The Department of Field Support agreed and raised the issue with the Department of Management. The Department of Management subsequently confirmed that timelines for the delivery of goods are provided by the Department of Field Support to the Department of Management and are incorporated in tender documents.

(c) Finance risk

Important recommendations

40. *Audit of the Transportation and Movement Service in the Department of Field Support (AP2011/615/03).* There were no time limits for the submission of troop- and police-contributing country requests for the reimbursement of troops, police or cargo movement. As a result, there were delays in the submission of claims. For example, a claim of $1.3 million was submitted in July 2011 for a movement that occurred in 2008. Member States did not approve a request by the Department of Peacekeeping Operations in 2007 to amend the guidelines and letters of assist policy of the troop- and police-contributing countries to include a time limit within which those countries should submit claims for reimbursement. With the introduction of IPSAS, there is a need to provide for and disclose liabilities in the financial statements. OIOS recommended that the Department of Field Support establish a mechanism for estimating the contingent liabilities of claims for movement reimbursement in preparation for the adoption of IPSAS. The Department of Field Support accepted the recommendations and advised that the Department's focal point on IPSAS would ensure that adequate procedures were in place to account for potential claims.

(d) Compliance risk

Important recommendations

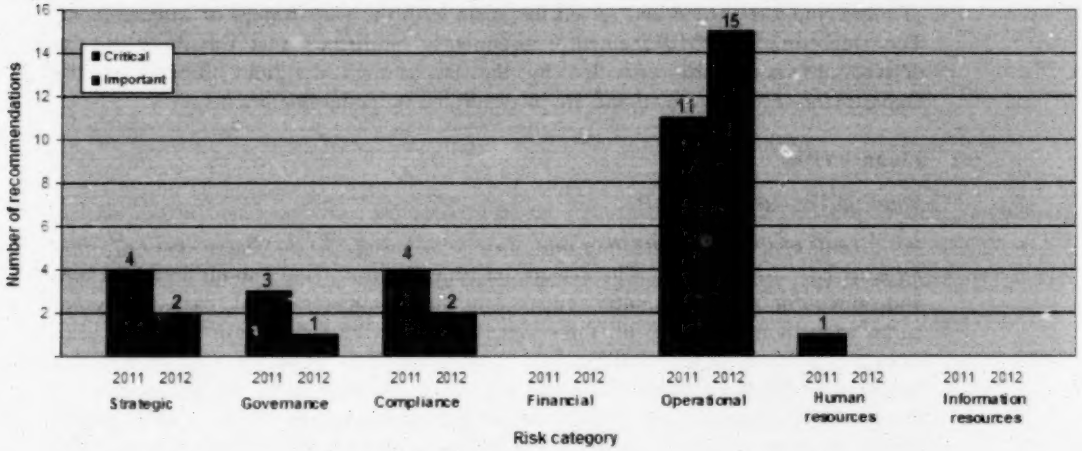
41. *Audit of the acquisition of ICT equipment, software and services for peacekeeping operations (AT2011/615/02).* Contrary to the United Nations Procurement Manual: (a) missions were not involved in evaluating the performance of systems contractors, although they were major users of such contracts; (b) the standardization of some peacekeeping ICT products was not based on technical and

market analysis; and (c) brand names and specific part numbers were used in the technical specifications described in the statements of work. Additionally, the procedure of delegated procurement authority for ICT hardware and software was put in place before the establishment of the Regional Procurement Office in Entebbe; therefore, the procurement activities performed through the Regional Procurement Office were not reviewed and approved by the Department of Field Support, which is contrary to the Department's instructions to missions for the acquisition of ICT hardware and software. The Department accepted the recommendations and was clarifying the procedures for: (a) involving missions in evaluating the performance of ICT systems contractors; (b) ensuring that ICT standards were consistently supported by technical and economic reviews; (c) ensuring that the statements of work for ICT procurement did not mention brand names; and (d) the acquisition of ICT equipment by the Regional Service Centre.

United Nations Stabilization Mission in Haiti (MINUSTAH)

Figure X

Audit recommendations issued to MINUSTAH in 2011 and 2012, by risk category



42. In 2012, OIOS issued 20 audit recommendations and four audit reports to MINUSTAH:

- *Santo Domingo Support Office (AP2011/683/07)*
- *Haitian national police development programme (AP2011/683/10)*
- *Recruitment activities (AP2011/683/02)*
- *United Nations police operations (AP2011/683/05)*

Key results are set out below.

(a) Operational risk

(i) Critical recommendations

43. *United Nations police operations (AP2011/683/05).* MINUSTAH had provided training to the Haitian national police in the areas of investigations, crime scene management, fingerprint identification and searchable criminal database

management. However, there was a need to further support the development of the Haitian national police capacity to conduct criminal investigations. There was a significant backlog of unsolved criminal cases due to insufficient Haitian national police officers and a lack of adequate investigative equipment and logistical support. For example, in 2011, 828 of 908 murders had not been investigated. OIOS recommended that additional steps be taken to enhance the capacity of the Haitian national police by expediting technical and substantive training for national police officers and by ensuring availability of equipment for conducting investigations. MINUSTAH accepted the recommendation and stated that co-location between MINUSTAH and the national police was ongoing in respect of conducting criminal investigations; technical and substantive training had been defined; and the Haitian national police development plan 2012-2016 had established a funding matrix with Haitian counterparts, the international community and MINUSTAH to specify funding arrangements for further capacity-building of the Haitian national police.

(ii) Important recommendations

44. *Santo Domingo Support Office (AP2011/683/07).* Owing to the urgent need for continued support for operations in Haiti in the immediate aftermath of the 2010 earthquake in the country, MINUSTAH established remote support capacity in Santo Domingo, without adequate cost-benefit analyses or redesign of certain business processes. This led to duplication, inefficiencies and delays in the relevant processes. For example, the invoices of vendors and travel claims were received in both Santo Domingo and Port-au-Prince even though 10 of the 11 certifying officers were based in Port-au-Prince. Therefore, documents received in Santo Domingo were sent to Port-au-Prince by the United Nations pouch to be certified and returned for further processing. Payments were made based on scanned copies of invoices and disbursement vouchers received through e-mail, in contravention of the United Nations Financial Regulations and Rules. MINUSTAH accepted the OIOS recommendation to redesign relevant business processes and functions in order to minimize duplication of activities between Port-au-Prince and Santo Domingo and to improve internal controls over payments.

Evaluation activities

45. The Inspection and Evaluation Division conducted an evaluation of MINUSTAH (A/66/740 and Corr.1). The Division reported that the Mission had demonstrated tremendous resilience in providing logistical support and facilitating coordinated emergency relief following the 2010 earthquake, while recovering from its own losses. MINUSTAH had established post-earthquake security, effectively provided electoral support and facilitated humanitarian assistance. However, public appreciation of MINUSTAH and its achievements was diminished by a mismatch between the population's expectations of the Mission, a cholera outbreak and allegations of sexual exploitation and abuse. Challenges remained in the areas of institutional capacity-building (including in the Haitian national police), rule of law and human rights. The Division also noted limitations in MINUSTAH indicators of achievement and concluded that more effective integration was required with the United Nations country team in Haiti.

46. The Inspection and Evaluation Division recommended (among other things) that MINUSTAH expedite consultations with Haitian counterparts for the early adoption of the proposed Haitian national police development plan and identify key

priorities for better focusing its own support. It also recommended that MINUSTAH renew efforts to strengthen a common United Nations approach to supporting rule of law initiatives, while taking immediate action to coordinate the Mission's own components, and, together with the international community, develop a compact with the Government of Haiti to reform the rule of law and other essential governing institutions. In its resolution 66/273, the General Assembly took note of the OIOS report (A/66/740 and Corr.1).

Investigation activities

47. In 2012 OIOS issued one contingent report and three investigation reports related to MINUSTAH. In addition, OIOS issued one closure report related to unsubstantiated misconduct (*0307/09*), had 23 pending cases and predicated 15 new cases for investigation in 2012.

- *Contingent report on assault and theft by peacekeepers at MINUSTAH (0614/09)*
- *Investigation report on international trafficking of forged Dominican Republic passports by a staff member at MINUSTAH (0286/09)*
- *Investigation report on possible sexual exploitation and abuse by a formed police unit officer at MINUSTAH (0327/11)*
- *Investigation reports on extortion by a former staff member and individual contractors at MINUSTAH (0202/11)*

48. (*ID Case 042/12*). OIOS received a report alleging that one or more members of a formed police unit in MINUSTAH had sexually exploited and abused a 14-year-old boy. Following OIOS consultations with the Department of Peacekeeping Operations, the Department of Field Support and MINUSTAH, it was decided that the Police Division of the Department of Peacekeeping Operations would conduct a proxy investigation into the case under the guidance of OIOS and report its findings to OIOS. OIOS liaised closely with the Police Division investigative team and provided constant support throughout the process. There was clear evidence that a formed police unit officer had had sexual relations with the boy (including a handwritten admission by the officer) and sufficient evidence to inquire into whether a second formed police unit officer had also had sexual relations with the boy.

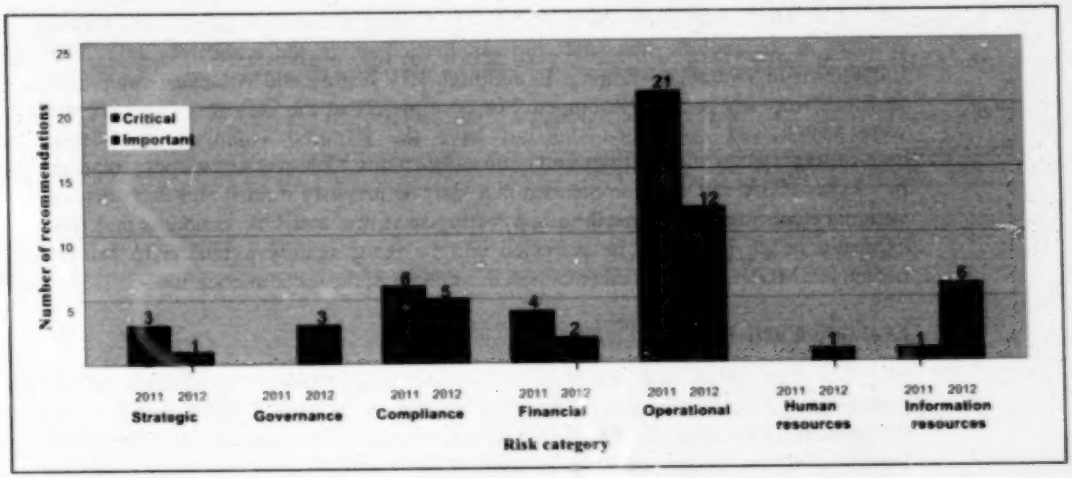
49. The local authorities initiated a parallel criminal investigation, arrested two locals involved in the temporary absence of the boy and requested the United Nations to cooperate, including access to implicated formed police unit members. Following the proxy investigation, the authorities of the formed police unit officers held a court martial proceeding, after which the main accused was dismissed from service and sentenced to one year of "rigorous imprisonment" and the second officer was dismissed from service.

50. The case was a successful example of cooperation among OIOS, the Department of Peacekeeping Operations, including its Police Division, and United Nations police, and between MINUSTAH and the local authorities. However, OIOS noted with regret that the sexual exploitation and abuse of the boy had likely occurred over a three-year period, but had remained undetected until 2012. The prolonged ordeal had been caused by the failure to implement policies on prevention and deterrence of sexual exploitation and abuse.

51. (*ID Case 0202/11*). OIOS substantiated allegations that a former MINUSTAH staff member and four former MINUSTAH individual contractors had improperly solicited and received money from local citizens in exchange for their recruitment at MINUSTAH. OIOS recommended a referral to the local authorities, and on 17 December 2012 the Organization implemented the recommendation.

United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO)

Figure XI
Audit recommendations issued to MONUSCO in 2011 and 2012, by risk category



52. In 2012, OIOS issued 30 audit recommendations and eight audit reports to MONUSCO:

- *Ground transport services (AP2011/620/12)*
- *Safety and security (AP2011/620/07)*
- *HIV/AIDS programme (AP2011/620/13)*
- *Public information activities (AP2011/620/05)*
- *Human rights programme (AP2011/620/11)*
- *Local Committee on Contracts (AP2011/620/15)*
- *Management of aviation contract (AP2011/620/14)*
- *Air travel (AP2012/620/02)*

Key results are set out below:

(a) Operational risk

Important recommendations

53. *Ground transport services (AP2011/620/12)*. Procedures for servicing and maintaining vehicles needed to be strengthened. During the fiscal year 2010/11: (a) 55 major repairs costing about $410,000 were performed without having been

approved in advance by authorized officials; (b) parts that had been extracted from cannibalized vehicles when required were not returned to inventory and recorded in Galileo; and (c) waste materials such as tires, batteries and oil had not been disposed of in an environmentally friendly manner. MONUSCO accepted the OIOS recommendation to strengthen internal controls over repairs and parts extracted from cannibalized vehicles and expedite the procurement of environmentally friendly waste disposal services.

(b) Compliance risk

Important recommendations

54. *HIV/AIDS programme (AP2011/620/13).* Owing primarily to insufficient training officers in the sectors, new staff did not participate in the mandatory HIV/AIDS induction and awareness training. In addition, HIV testing and voluntary counselling facilities were not properly equipped. For example, 21 of the 26 locations where staff were tested and counselled did not have the required voluntary confidential counselling and testing facilities and counsellors. Only 13 locations had post-exposure prophylaxis kits. OIOS recommended that staff be properly trained and that adequate voluntary confidential counselling and testing facilities, test kits, condoms and post-exposure prophylaxis kits be provided and be made readily available to Mission personnel. MONUSCO has taken action to implement the recommendation.

Evaluation activities

55. The Inspection and Evaluation Division conducted an evaluation of the performance of and the achievement of results by MONUSCO (A/66/741). The Division reported that the Mission had contributed to a more stable Democratic Republic of the Congo and had supported the national army and police despite facing challenges. In addition, the Mission had played a critical enabling role for the Government, the international community and civil society in the Democratic Republic of the Congo and had paid particular attention to gender issues and human rights. However, progress in security sector reform had been slow and the benchmarks for exit appeared unlikely to be met in the near future. The Division recommended (among other things) that MONUSCO reinforce its commitment to security sector development, institute an information campaign focused on differentiating the Mission's responsibility to support the Government and build its capacity from any appearance of support for individuals in the Government and/or wrongdoing, release regular, comprehensive monitoring reports on the human rights situation at least twice-yearly, and take all possible steps to reinforce the zero-tolerance policy of the United Nations in respect of sexual exploitation and abuse by Mission personnel. The General Assembly took note of the OIOS report in its resolution 66/269.

Investigation activities

56. In 2012, OIOS issued 15 contingent reports and five investigation reports related to MONUSCO and the former United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) (see below). In addition, OIOS issued 19 closure reports related to unsubstantiated misconduct in MONUSCO and the former MONUC (*0218/09, 0101/10, 0221/09, 0343/09, 0357/10, 0505/09, 0624/08, 0421/08, 0240/09, 0182/09, 0547/10, 0688/07, 0439/10, 0376/09, 0377/11, 0567/11,*

0153/12, 0334/10, 0364/09), had 30 pending cases and 10 predicated for investigation in 2012.

- *Contingent report on misconduct by peacekeepers at the former MONUC (0213/08)*
- *Contingent report on sexual abuse of a minor by a peacekeeper at the former MONUC (0152/10)*
- *Contingent report on sexual abuse of a minor by a peacekeeper at the former MONUC (0203/10)*
- *Contingent report on sexual exploitation and abuse implicating peacekeepers at the former MONUC (0116/10)*
- *Contingent report on sexual exploitation by a peacekeeper at the former MONUC (0108/09)*
- *Contingent report on sexual exploitation by a peacekeeper at the former MONUC (0204/10)*
- *Contingent report on alleged rape of a minor by peacekeepers at MONUSCO (0642/11)*
- *Contingent report on odometer manipulation by peacekeepers at MONUSCO (0076/11)*
- *Contingent report on possible misconduct by peacekeepers at MONUSCO (0275/11)*
- *Contingent report on sexual abuse by a peacekeeper at MONUSCO (0405/11)*
- *Contingent report on sexual exploitation and abuse by a peacekeeper at MONUSCO (0261/10)*
- *Contingent report on sexual exploitation and abuse by a peacekeeper at MONUSCO (0262/10)*
- *Contingent report on sexual exploitation by a contingent member at MONUSCO (0447/11)*
- *Contingent report on the illegal trade in precious metals and firearms by peacekeepers at MONUSCO (0486/10)*
- *Contingent report on the sexual exploitation and abuse of a minor by a peacekeeper at MONUSCO (0362/11)*
- *Investigation report on mineral trafficking by a staff member at MONUSCO (0395/11)*
- *Investigation report on misconduct by formed police unit officers at MONUSCO (0406/11)*
- *Investigation report on serious misconduct by formed police unit personnel at MONUSCO (0206/12)*
- *Investigation report on the sexual exploitation and abuse of a minor by a formed police unit officer at the former MONUC (0579/09)*

• *Investigation report on the sexual exploitation and abuse of a minor at the former MONUC (0473/10)*

57. (*ID Case 0395/11*). A MONUSCO staff member had used, without authorization, a United Nations vehicle to transport sacks of a precious mineral across international borders into a neighbouring country. The local authorities arrested the staff member on suspicion of mineral trafficking. He was subsequently tried and convicted of rebellion, attempted fraud, illegal ownership of minerals and illicit transport of minerals. He is currently serving a prison sentence. The OIOS investigation results were provided to the Department of Field Support for onward transmission to the Office of Human Resources Management for appropriate action. The Department of Field Support advised that the contract of the staff member had expired before disciplinary action could be completed, and while a note had been placed in the staff member's file, the matter was closed.

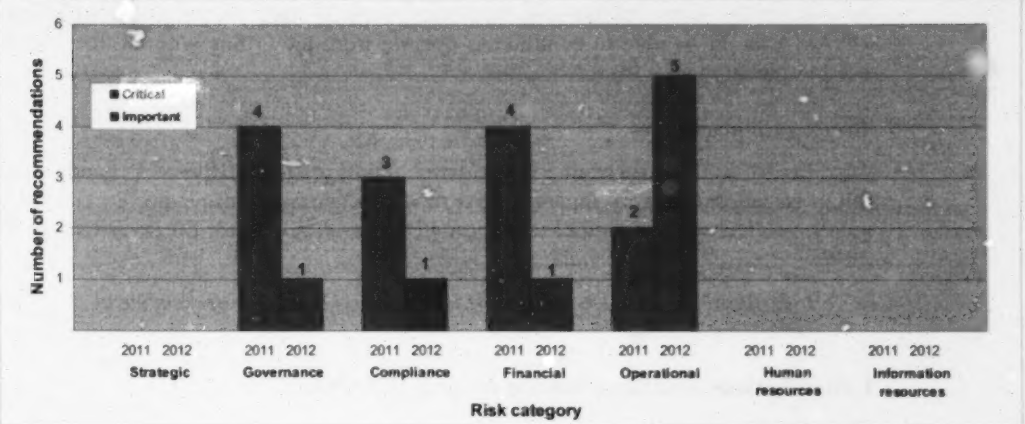
58. (*ID Case 0405/11*). It was reported that a national contingent member in MONUSCO had attempted to sexually abuse a casual worker of a United Nations programme. It was further reported that the same national contingent member had earlier that same day attempted to sexually assault another casual worker of the same United Nations programme. The concerned troop-contributing country was notified of the report in accordance with the provisions of the revised draft model memorandum of understanding, and a National Investigations Officer was subsequently appointed.

59. The Organization has not yet received the troop-contributing country's investigation report. However, in an official response, the troop-contributing country referred to only one victim and reported that she had withdrawn her complaint against the national contingent member. In contrast to that, OIOS has no evidence that the complaint had been withdrawn and recommended further investigation by the troop-contributing country. On 28 March 2012, OIOS provided its report to the Department of Field Support. On 21 May 2012, the Department transmitted the findings to the troop-contributing country; to date, however, no response has been received from the troop-contributing country.

60. (*ID Case 0206/12*). Two formed police unit officers in MONUSCO, accused of the sexual abuse of a local woman, were arrested and detained by local police. Upon learning of the arrest and without any effort to negotiate with the local police or pursue other appropriate diplomatic channels, the formed police unit commander ordered and personally led an armed intervention on the local police station and retrieved his arrested officers. There was no evidence to support the initial sexual abuse claim. On 5 June 2012, OIOS provided the Department of Field Support with its overall findings, including that of the actions of the formed police unit commander. On 11 September 2012, the Department of Field Support transmitted the findings to the police-contributing country for further action; to date, no response has been received from the police-contributing country.

United Nations Assistance Mission in Afghanistan (UNAMA)

Figure XII
Audit recommendations issued to UNAMA in 2011 and 2012, by risk category



61. In 2012, OIOS issued eight audit recommendations and four audit reports to UNAMA:

- *Air operations (AP2011/630/03)*
- *Development Coherence Unit (AP2011/630/02)*
- *Safety and security (AP2012/630/03)*
- *Management of Mission Support Office in Kuwait (AP2012/630/01)*

Key results are set out below.

Operational risk

Important recommendations

62. *Air operations (AP2011/630/03).* A review of 30 of the 237 special flights taken during the period from January 2010 to December 2011 showed that the Mission had spent about $42,000 to airlift obsolete and damaged equipment from Mazar-e-Sharif, Afghanistan, to Kabul, when it could have been transported by road for about $1,400. In addition, seven special flights had been operated at a cost of $274,680 for travel to Kabul for training and for staff travelling to and from leave. Staff training and movement of staff should have been organized to coincide with regular scheduled flights. These inefficiencies were mainly due to inadequate procedures over the tasking of special flights. UNAMA accepted the OIOS recommendation and has implemented improved procedures for the scheduling of special flights.

63. *Mission Support Office in Kuwait (AP2012/630/01).* An evacuation room had been established at the Mission Support Office in Kuwait to accommodate critical staff evacuated from Afghanistan in order to ensure uninterrupted support for UNAMA operations. The room was equipped with data ports, workstations with desktop computers, a digital sender, a network printer, telephone sets, and a

conference area with seating for 22 staff members. However, the adequacy of the facilities could not be assured since UNAMA had not identified critical tasks and essential staff. UNAMA accepted the OIOS recommendation to reassess the facilities and stated that all critical tasks required to support operations in the event of evacuation from Afghanistan had been defined and, in the event of crisis, UNAMA might be able to continue to operate from the Office without the critical need to redeploy staff from Afghanistan.

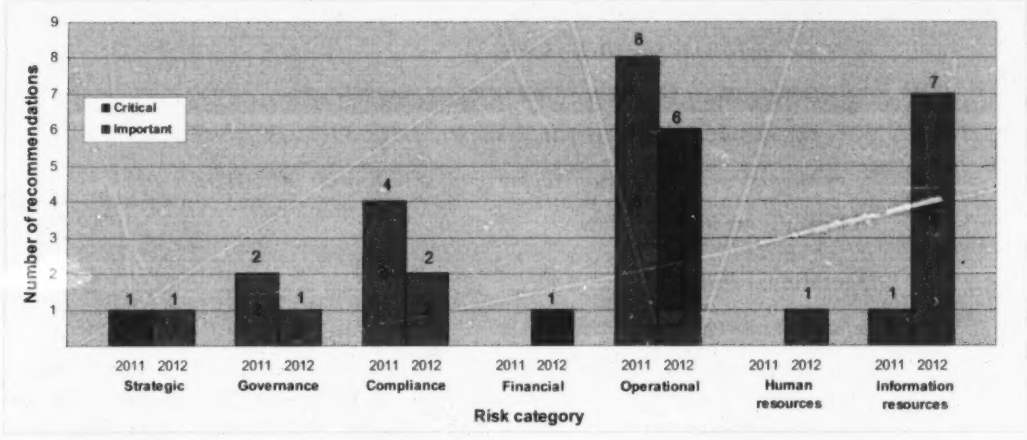
Investigation activities

64. In 2012, OIOS issued one investigation report related to UNAMA. In addition, OIOS issued one closure report related to unsubstantiated misconduct in UNAMA (*0292/10*), had one pending case and predicated two new cases for investigation in 2012.

- *Investigation report on conflict of interest by a former staff member at UNAMA (0474/09)*

United Nations Assistance Mission for Iraq (UNAMI)

Figure XIII
Audit recommendations issued to UNAMI in 2011 and 2012, by risk category



65. In 2012, OIOS issued 19 audit recommendations and three audit reports to UNAMI:

- *Security transition planning (AP2011/812/02)*
- *Human rights programme (AP2011/812/04)*
- *Management of engineering projects (AP2011/812/07)*

Key results are set out below.

Operational risk

(i) Critical recommendations

66. *Management of engineering projects in UNAMI (AP2011/812/07).* UNAMI overpaid two contractors a total of $632,992 and did not obtain the required performance bonds for eight contracts with a total not-to-exceed amount of $2.96 million. UNAMI did not have adequate capacity, including appropriate structures, procedures and expertise, for the management of engineering projects. There was no project committee to oversee activities. The position of Chief of Engineering had been vacant for more than three years, and a staff member who did not have the relevant experience and skills managed the Engineering Section. UNAMI accepted the OIOS recommendations and stated that it had secured a credit note for $523,919 from one of the two overpaid contractors. With assistance from the Department of Field Support, UNAMI had started a review of other contracts to determine possible overpayments and had drafted standard operating procedures for managing engineering projects. The certifying authority of staff responsible for the overpayment was suspended. UNAMI was committed to carrying out a comprehensive review of the project management structure in order to address its capacity to effectively implement engineering projects.

(ii) Important recommendations

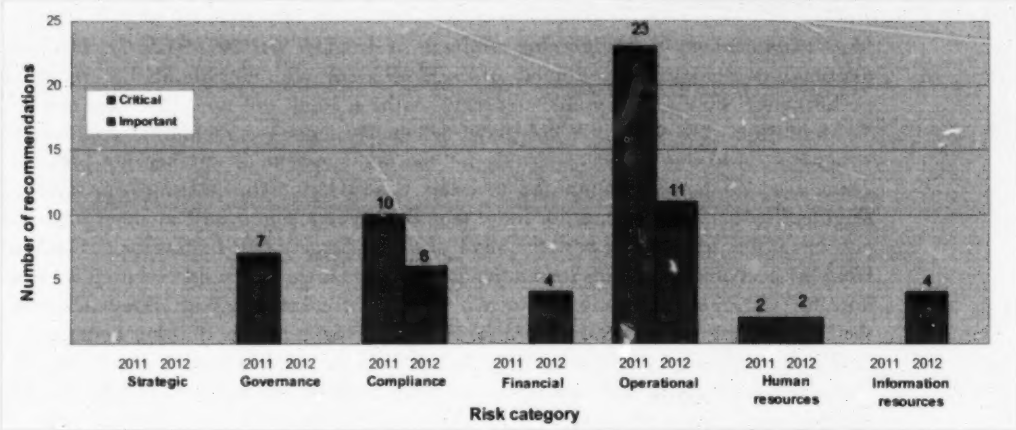
67. *Human rights programme (AP2011/812/04).* According to the Policy Directive on Public Reporting by Human Rights Components of United Nations Peace Operations, as a general rule, human rights components prepare biannual or annual public reports. The biannual reports should be issued within a month from the final day of the relevant reporting period, and the annual report should be issued within two months. The human rights component of UNAMI prepared the required public reports. However, owing to staff vacancies and the lack of a reliable database of human rights incidents, the reporting was delayed on average by five months. Staff vacancy rates ranged from 43 to 60 per cent during the 33-month period covered by the audit, and the Mission database did not include any report of human rights incidents during 31 of the 33 months. The human rights programme had not been evaluated for more than five years, reducing the Mission's ability to take necessary remedial actions. UNAMI accepted the OIOS recommendations and stated that it would take action to remedy the identified problems.

Investigation activities

68. In 2012, OIOS issued two closure reports related to unsubstantiated misconduct in UNAMI (*0517/10, 0346/10*), had two pending cases and predicated one new case for investigation.

African Union-United Nations Hybrid Operation in Darfur (UNAMID)

Figure XIV
Audit recommendations issued to UNAMID in 2011 and 2012, by risk category



69. In 2012, OIOS issued 27 audit recommendations and eight audit reports to UNAMID:

- *Quick-impact projects (AP2011/634/05)*
- *Procurement systems and procedures (AP2010/634/09)*
- *Management of engineering activities (AP2011/634/13)*
- *Renovation/construction of team sites (AP2011/634/14)*
- *Budget formulation and management (AP2011/634/15)*
- *Human rights programme (AP2011/634/03)*
- *Administrative and financial support to the Joint Mediation Support Team (AP2011/634/20)*
- *Fuel management (AP2012/634/06)*

Key results are set out below.

(a) Operational risk

Critical recommendations

70. *Quick-impact projects (AP2011/634/05).* The Project Review Committee did not place sufficient focus on the process of reviewing the viability of project proposals. For example, a tree-planting project had been stopped by local authorities since it was too near the airport, and a nine-point latrine for a school had been constructed although the school had not been built. In addition, none of the 354 projects approved during 2009/10 and 2010/11 had been implemented within the required three-month period, with projects taking between 12 and 34 months to complete. This was due to: (a) the lack of an effective process for monitoring and reviewing projects; (b) timelines and quality standards not being established prior to the disbursement of funds to implementing partners; and (c) personnel without the

necessary expertise being assigned responsibility for monitoring projects. UNAMID accepted the OIOS recommendation to ensure that quick-impact project proposals are reviewed in accordance with relevant guidelines and that efforts are employed to ensure the timely completion of projects.

71. *Management of engineering activities (AP2011/634/13).* There were no mission-specific standard operating procedures to guide engineering staff in their day-to-day activities. While UNAMID was using the Department of Field Support Engineering Manual and related operating procedures, these were insufficient to direct staff in the planning, executing and closing-out phases of the engineering projects. For example, criteria for prioritizing projects, taking into consideration such challenges as the shortage of skilled labour and readily available materials, had not been developed, which caused delays in the implementation of higher priority projects. UNAMID accepted the OIOS recommendation to develop mission-specific standard operating procedures to supplement the Department's Engineering Manual.

(b) Compliance risk

Critical recommendations

72. *Procurement systems and procedures (AP2010/634/09).* UNAMID did not always comply with the United Nations Procurement Manual in the procurement of goods and services as follows: (a) late bids were accepted without justification; (b) staff members were performing incompatible functions; (c) adequate specifications were not established; (d) technical evaluation criteria were not consistently applied; and (e) there was non-compliance with the delegated procurement authority. For example, late bids had been accepted in respect of 9 out of 31 procurement cases valued at $106 million; in addition, in 5 out of 31 cases, some vendors that had failed one or more technical requirements had been technically cleared. A staff member with expired procurement authority had approved 87 purchase orders valued at $29.13 million, and a staff member without procurement authority had approved a purchase order valued at $25,040. UNAMID accepted the OIOS recommendations and was taking appropriate actions to strengthen procedures over procurement activities in order to reduce the risk of fraud and to ensure compliance with the United Nations Procurement Manual. For example, UNAMID has issued new delegations of procurement authority to specific procurement staff and has strengthened the Tender Opening Committee; a new Chief Procurement Officer has been appointed; and the Procurement Division has conducted two procurement assistance visits to provide guidance and assistance to the mission in its procurement activities.

73. *Management of engineering activities (AP2011/634/13).* Environmental impact assessments were not conducted for the four major engineering projects valued at $125.26 million. This was contrary to United Nations environmental policy and increased the risk of construction projects having a negative impact on the environment. As a result, the mission lacked adequate project planning mechanisms to bring together all project implementation stakeholders to ensure compliance with environmental regulations and did not include an environmental impact assessment as one of the critical project implementation activities. UNAMID accepted the OIOS recommendation to ensure compliance with United Nations environmental policy.

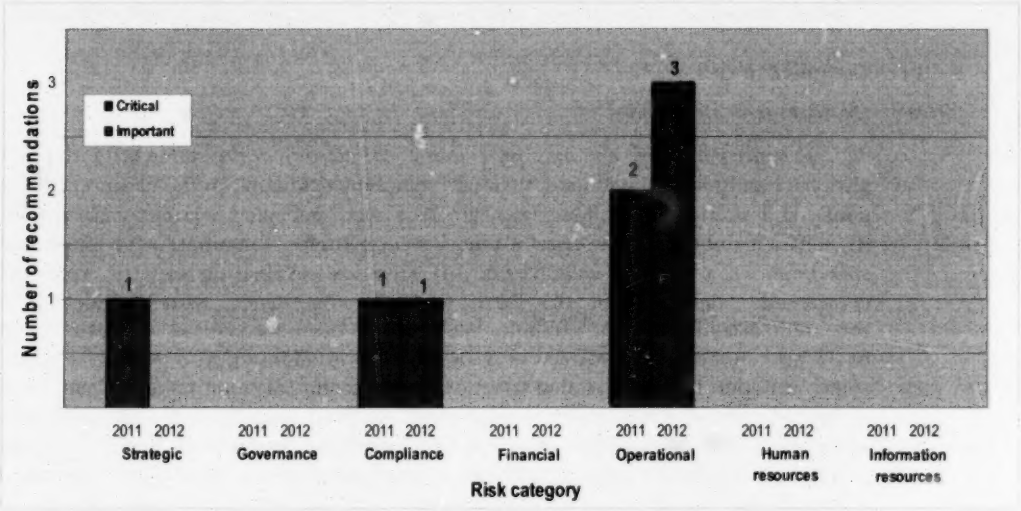
Investigation activities

74. In 2012, OIOS issued two contingent reports and two closure reports related to unsubstantiated misconduct in UNAMID (*0009/11, 0554/10*), had eight pending cases and predicated seven new cases for investigation.

- *Contingent report on attempted theft by a peacekeeper at UNAMID (0043/12)*
- *Contingent report on the abduction of a Sudanese female by a peacekeeper at UNAMID (0273/10)*

United Nations Peacekeeping Force in Cyprus (UNFICYP)

Figure XV
Audit recommendations issued to UNFICYP in 2011 and 2012, by risk category



75. In 2012, OIOS issued four audit recommendations and one audit report to UNFICYP:

- *Procurement activities (AP2011/654/01)*

Key results are set out below.

Operational risk

Important recommendations

76. *Procurement activities (AP2011/654/01).* UNFICYP consolidated camp services (catering, cleaning, grounds maintenance, road sweeping and the provision of unskilled labour) and awarded one contract valued at $10.5 million to a single vendor for three years. While OIOS had previously recommended fostering an opportunity for economies of scale by grouping contracts in a more manageable number, the procurement undertaken by UNFICYP was not cost effective since it amounted to 40 per cent more than the aggregate value of $7.4 million for the same services that had previously been performed under multiple contracts. The increase was mainly attributed to the overhead cost of the new contractor for administering

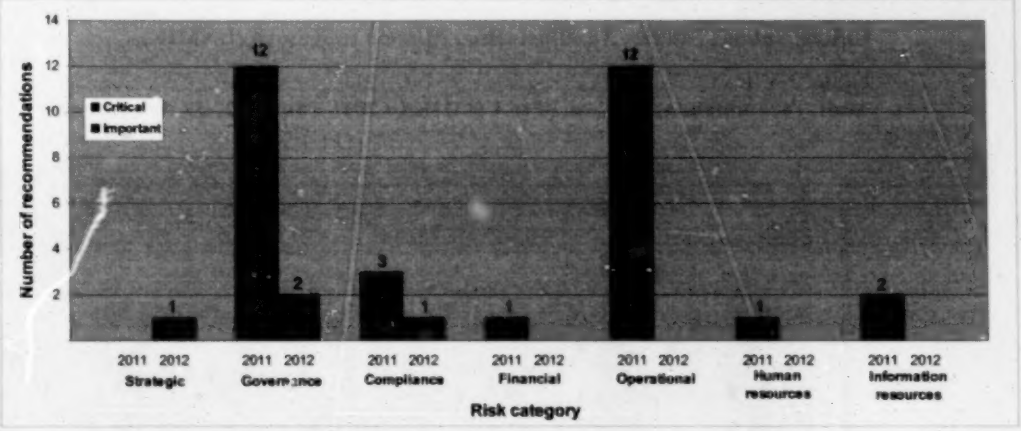
and coordinating the services. The Local Committee on Contracts questioned the appropriateness of grouping services; however, the Local Committee on Contracts and the Headquarters Committee on Contracts endorsed the awarding of the contract since there was an urgent need to replace expiring contracts. Part of the additional cost could have been avoided through improved planning in replacing expiring contracts and had the Mission conducted an assessment at the outset of the procurement process. UNFICYP accepted the OIOS recommendation and has undertaken a re-bidding exercise. The commercial evaluation will take into account the commercial aspects of awarding single or multiple contracts. The process is expected to be completed by mid-June 2013.

Investigation activities

77. In 2012, OIOS had two pending cases and predicated one new case for investigation.

United Nations Interim Force in Lebanon (UNIFIL)

Figure XVI
Audit recommendations issued to UNIFIL in 2011 and 2012, by risk category



78. In 2012, OIOS issued four audit recommendations and two audit reports to UNIFIL:

- *Demining activities (AP2011/672/03)*
- *Contract management (AP2011/672/05)*

Key results are set out below.

Operational risk

Important recommendations

79. *Demining activities (AP2011/673/03).* UNIFIL had established requirements for the mine-clearing project and identified the parties responsible for managing, planning and conducting demining activities. However, owing to the small number of sites approved by the Governments of Israel and Lebanon, the 14 clearance teams

of UNIFIL had been operating below capacity. For example, on average, only six teams worked per week in 2010/11. The utilization of demining teams increased to nine teams working per week in 2011/12; however, this was expected to decrease in 2013 if the number of approved sites did not increase over the 2011/12 level. UNIFIL accepted and implemented the OIOS recommendation to assess the requirements for mine clearance teams based on the recommendations made as part of the review of a military capability study carried out by the Department of Peacekeeping Operations.

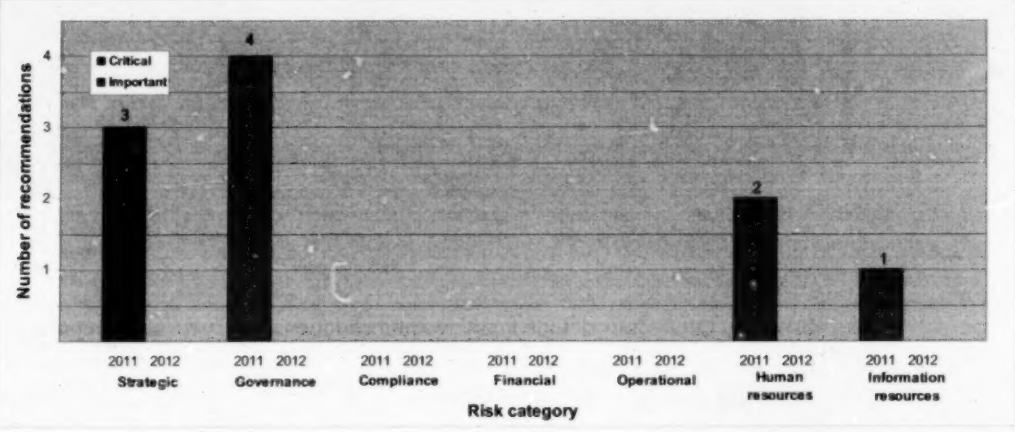
Investigation activities

80. In 2012, OIOS issued one contingent report and one investigation report related to UNIFIL. In addition, OIOS issued one closure report related to unsubstantiated misconduct in UNIFIL (*0164/12*), had three pending cases and predicated two new cases for investigation.

- *Contingent report on the possible theft of fuel by peacekeepers at UNIFIL (0218/10)*
- *Investigation report on misuse of information and communications technology resources by a staff member at UNIFIL (0167/11)*

United Nations Interim Administration Mission in Kosovo (UNMIK)

Figure XVII
Audit recommendations issued to UNMIK in 2011 and 2012, by risk category



81. In 2012, OIOS issued one audit report to UNMIK:

- *Disposal of assets (AP2011/650/01)*

Investigation activities

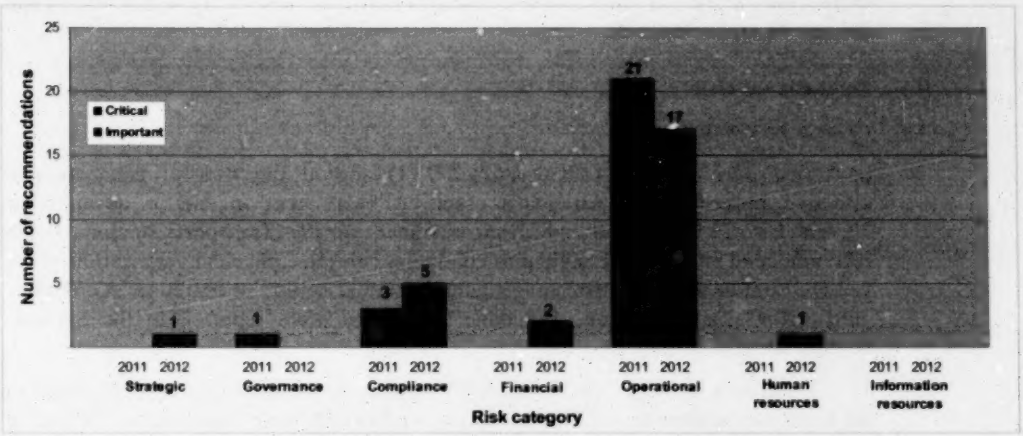
82. In 2012, OIOS issued one investigation report related to UNMIK.

- *Investigation report on education grant fraud by a former staff member at UNMIK (0458/11)*

83. (*ID Case 0458/11*). A former staff member at UNMIK submitted two fraudulent education grant requests; created a fraudulent online portal for the school shown in his submissions; and activated and operated an e-mail account for the school, including for responding to an inquiry from the United Nations, thereby creating the appearance that a school official was the author of the message. The former staff member also created the appearance of a school that did not exist. OIOS suggested a financial recovery of $14,484.00 and recommended that the case be referred to the relevant national authority. In December 2012, the Organization referred the case to the local authorities.

United Nations Mission in Liberia (UNMIL)

Figure XVIII
Audit recommendations issued to UNMIL in 2011 and 2012, by risk category



84. In 2012, OIOS issued 26 audit recommendations and six audit reports to UNMIL:

- *Transport services (AP2011/626/07)*
- *Civil affairs programme (AP2011/626/01)*
- *Support to security sector reform programme (AP2011/626/08)*
- *Quick-impact projects (AP2011/626/12)*
- *Payments processing (AP2011/626/10)*
- *Local Committee on Contracts (AP2012/626/06)*

Key results are set out below.

(a) Strategy risk

Important recommendations

85. *Security sector reform programme (AP2011/626/08)*. Owing primarily to the lack of clarity on their respective roles in security sector reform, most of the relevant substantive units of UNMIL had not structured their programmes to clearly identify activities and achievements related to security sector reform. In addition,

while the results-based budget contained expected accomplishments and related outputs, substantive units had not clarified the activities to be undertaken to fulfil the UNMIL security sector reform mandate. There was also no comprehensive plan with target dates for completing the activities. For example, a number of important tasks identified by the Mission's Security Sector Reform Adviser had not been included in substantive unit work plans, including: (a) implementing a mechanism for more effective information flow on security matters between the central government and the counties; (b) drafting and adopting the new police reform act; (c) defining the role of the armed forces of Liberia at borders; and (d) developing effective coordination mechanisms between the national police, prosecution and the courts. UNMIL accepted the OIOS recommendation to clarify and formalize the role of substantive components in security sector reform, including the requirement to clearly identify security sector reform support activities in the respective work plans of the substantive component. In addition, UNMIL stated that it would ensure that there were policy and programmatic linkages between the security sector reform and the rule of law components.

(b) Operational risk

(i) Critical recommendations

86. *Transport services (AP2011/626/07).* Owing to the lack of adequate and effective procedures to safeguard assets, UNMIL was unable to account for 70 vehicles, 18 of which had been assigned to the Transport Section. OIOS recommended and UNMIL agreed to conduct a complete physical verification of the vehicles and to follow up and investigate those that could not be found. A complete verification was conducted, and those not found were reported to the Security Section for action.

87. *Transport services (AP2011/626/07).* Owing to the theft of four vehicles from the transport workshop, additional security measures were implemented including systematic checking of vehicles leaving the yard and installation of closed circuit televisions. However, 20 of the 64 closed circuit televisions were not operational. Additionally, the circuit television systems did not have the capacity to store data for more than seven days, and the data was not stored on back-up media, making it difficult to track movement in and out of the yard if theft occurred. Moreover, since the generic and "by pass" driver's permits that could be used by staff to operate vehicles did not identify the user, there was weak control over accountability in the use of the vehicles. OIOS recommended, and UNMIL accepted, to enhance measures to properly safeguard the vehicles. UNMIL stated that all closed circuit television cameras had been repaired and the use of the generic driver's licence had been discontinued.

88. *Transport services (AP2011/626/07).* There were considerable inefficiencies in the work of the Transport Section since established performance targets had not been met. For example, in 2010/11, maintenance, which should have taken three to four hours to complete, was taking an average of seven days to complete. These significant delays were attributed to the unavailability of spare parts and the lack of a proper maintenance schedule. In addition, 12 of the 21 heavy vehicles had been in the workshop for over a year, and two others for over three years, owing to the lack of spare parts such as tires and water pumps. OIOS recommended and UNMIL agreed to review the operations of the Transport Section, with the aim of improving performance.

(ii) Important recommendations

89. *Quick-impact projects (AP2011/626/12)*. Owing to the lack of adequate and effective procedures over the selection, implementation and oversight of quick-impact projects: (a) only 2 of the 25 projects reviewed by OIOS were completed within the expected time frame of three months. For instance, 13 of the projects took up to 36 months to complete and 10 had been in progress for up to 36 months. In addition, the required expenditure report for $300,000 had not been submitted by implementing partners more than six months after it was due. The Project Review Committee established to oversee the quick-impact projects programme was not functioning effectively since it lacked clear terms of reference, including criteria for the selection and approval of the projects. The required initial site visits were not always conducted to assess project viability, projects were not adequately monitored and advance payments were made to implementing partners without the required appraisal and performance reports. UNMIL accepted the OIOS recommendations and established criteria for selecting projects. In addition, UNMIL was establishing terms of reference for the Project Review Committee and enhancing procedures over the management of quick-impact projects. UNMIL confirmed that only four projects had not been completed since the audit. These were located along the Côte d'Ivoire border region, which was difficult to reach owing to the extremely poor road network, particularly during the rainy season.

Investigation activities

90. In 2012, OIOS issued two contingent reports and six investigation reports related to UNMIL (see below). In addition, OIOS issued seven closure reports related to unsubstantiated misconduct in UNMIL (*0219/11, 0218/11, 0597/11, 0368/11, 0408/09, 0221/11, 0315/09*), had six pending cases and predicated four new cases for investigation in 2012.

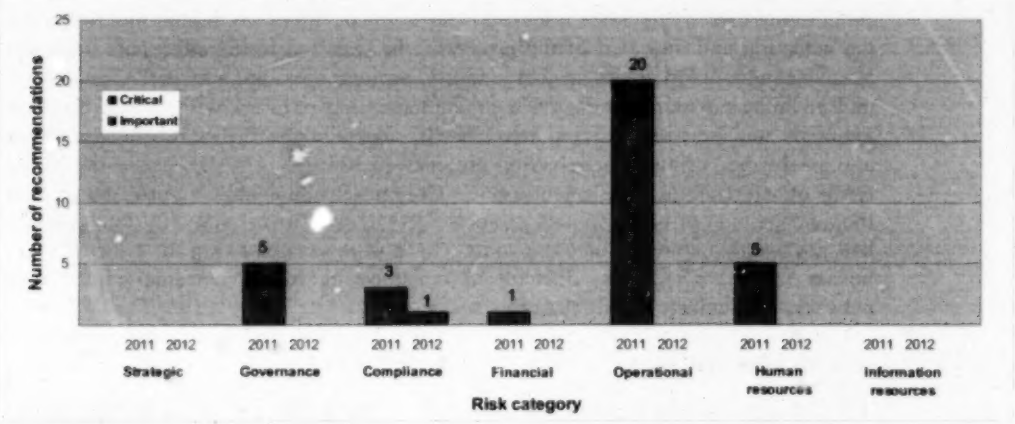
- *Contingent report on sexual exploitation and abuse and other misconduct by peacekeepers at UNMIL (0570/10)*
- *Contingent report on sexual exploitation and abuse by peacekeepers at UNMIL (0480/09)*
- *Investigation report on attempted fraud by a staff member at UNMIL (0231/12)*
- *Investigation report on bribery at UNMIL (0122/11)*
- *Investigation report on fraud by an official of the National Staff Association at UNMIL (0141/11)*
- *Investigation report on sexual abuse by a staff member at UNMIL (0433/10)*
- *Investigation report on sexual exploitation and abuse and other misconduct by a military observer at UNMIL (0333/11)*
- *Investigation report on sexual exploitation and abuse of a minor by a staff member at UNMIL (0311/11)*

91. (*ID Case 0408/09*). An UNMIL staff member sexually abused local female minors, many of whom he lured to his residence with promises of financial assistance and security. Following an apparently failed attempt at blackmailing the staff member, a woman, with whom the staff member had had a sexual relationship, reported his activities to local police. The staff member was arrested but, while

under house arrest, committed suicide. OIOS evidence supported the reported misconduct; however, owing to the staff member's death, further claims that he had sexually abused minors in previous United Nations postings could not be fully verified.

United Nations Mission in Sudan (UNMIS)

Figure XIX
Audit recommendations issued to UNMIS in 2011 and 2012, by risk category



92. In 2012, OIOS issued one audit recommendation and two audit reports to UNMIS:

- *Assets disposal during the liquidation of UNMIS (AP2011/632/18)*
- *Environmental issues (AP2011/632/20)*

Investigation activities

93. In 2012, OIOS issued six investigation reports related to UNMIS. In addition, OIOS issued five closure reports related to unsubstantiated misconduct in UNMIS (*0049/11, 0348/10, 0309/09, 0605/11, 0381/11*).

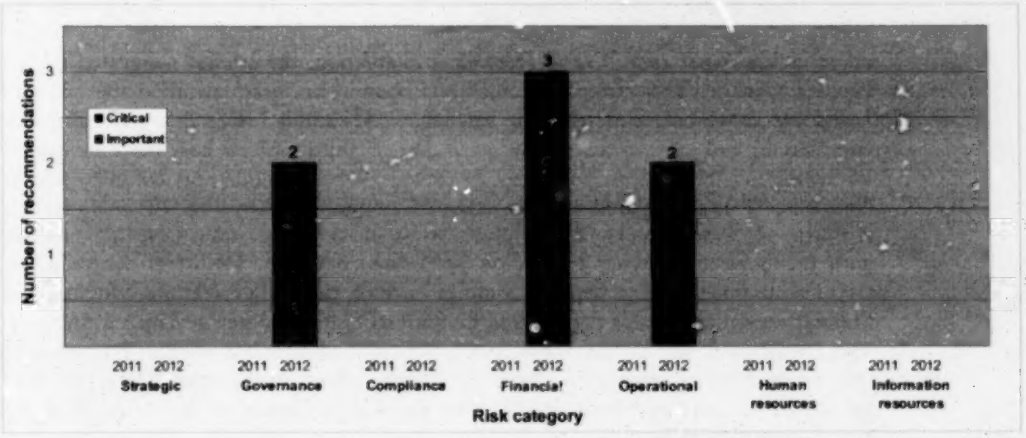
- *Investigation report on misappropriation of training funds by United Nations police officers at the former UNMIS (0544/10)*
- *Investigation report on misappropriation of training funds by United Nations police officers at the former UNMIS (0622/11)*
- *Investigation report on misconduct by a United Nations military observer at the former UNMIS (0492/10)*
- *Investigation report on misconduct by a United Nations military observer in the former UNMIS (0629/11)*
- *Investigation report on the misappropriation of training funds by a United Nations police officer at the former UNMIS (0493/10)*
- *Investigation report on the sexual abuse of minors by a staff member in the ner UNMIS (0169/11)*

94. (*ID Case 0381/11*). In the former UNMIS, a large consignment of tobacco had been transported as cargo on a United Nations aircraft. It was established that the consignment had been owned by non-United Nations personnel and was destined for commercial sale at its delivery point. While there was no staff member misconduct, there were significant lapses in cargo handling procedures at the Mission, which were exacerbated by the significant influx of both official and personal cargo due to the liquidation of UNMIS, and the reassignment of UNMIS staff members to UNMISS. OIOS issued appropriate recommendations to the Department of Field Support to minimize the Organization's risk exposure in mission cargo handling.

95. (*ID Cases 0544/10 and 0622/11*). In the former UNMIS, two United Nations police officers failed to properly account for the training funds entrusted to them. The OIOS report was provided to the police-contributing countries for further action; no response has been received to date. On 19 July 2012, OIOS provided its report to the Department of Field Support. On 6 and 7 August 2012, the Department transmitted the report to the respective police-contributing countries for further action; to date, no response has been received from them. A report of similar misconduct implicating a third United Nations Police officer was not substantiated (*ID Case 0493/11*).

United Nations Mission in South Sudan (UNMISS)

Figure XX
Audit recommendations issued to UNMISS in 2011 and 2012, by risk category



96. In 2012, OIOS issued seven audit recommendations and one audit report to UNMISS:

- *Construction of United Nations House in Juba (AP2012/633/01)*

Key results are set out below.

Operational risk

(i) Critical recommendations

97. *Construction of United Nations House in Juba (AP2012/633/01)*. The first phase for the construction of the United Nations House in Juba provided for the

completion of 13 office buildings and 200 staff accommodations by the end of March 2013 and December 2013, respectively. While progress was made, delays were encountered. For example, 50 of the 200 accommodations were to be completed by June 2012; however, as at November 2012, 20 had been completed and the remaining 30 were in various stages of completion (from 30 to 75 per cent complete). Delays were mainly attributable to inadequate planning and coordination. For instance: (a) the contractor hired and deployed to the site to construct a water tank at a cost of $460,000 was delayed by two months until the location of the tank could be determined; and (b) a contractor hired for three projects only had sufficient construction equipment to carry out one project at a time. One contractor had already been paid $20,000, based on a claim for idle time for the contracted staff. UNMISS accepted the OIOS recommendation to improve project planning to avoid delays in implementation. A project steering committee was established to oversee and monitor the implementation of construction projects.

(ii) Important recommendations

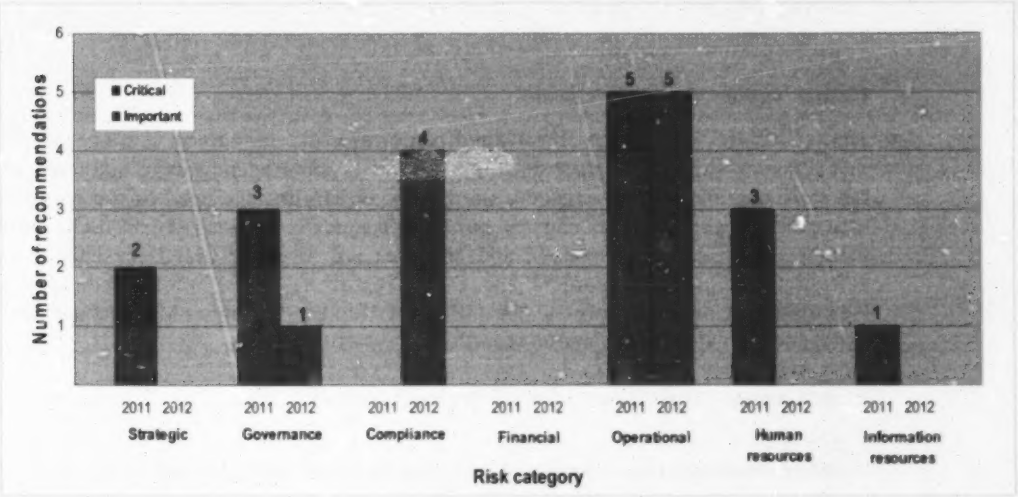
98. *Audit of construction of the United Nations House in Juba (AP2012/633/01).* UNMISS was not consistently complying the United Nations Procurement Manual in the procurement of vendors for the construction of 50 staff accommodations valued at $540,504. At the request of the Project Manager, two vendors that had not responded to the request for an expression of interest in the construction of the accommodations, including one vendor that had not met the requirements for vendor registration, had been added to the short list of vendors that were invited to submit bids. One of the vendors suggested by the Project Manager was awarded the contract, even though that vendor did not have the required number of years of construction experience. For the technical evaluation, the vendor suggested by the Project Manager was ranked seventh out of eight and was awarded the contract based on its commercial bid that was about $182,000 lower than the next low commercial bid of a vendor that was ranked third. There had been delays in implementing the project, with only 20 of the 50 accommodations completed as at November 2012, compared with the targeted number of 50 by July 2012. No formal performance evaluations had been done; however, since the audit, UNMISS has met with the contractor twice to discuss performance issues. UNMISS accepted the OIOS recommendation to ensure compliance with the United Nations Procurement Manual regarding vendor registration invitations to bid and performance evaluation. The Department of Management also confirmed that a new Chief Procurement Officer had been appointed and the Headquarters Procurement Division had scheduled an assistant visit in 2013 to provide guidance to the Mission in its procurement activities.

Investigation activities

99. In 2012, OIOS had 10 pending cases and predicated 19 new cases for investigation in UNMISS.

United Nations Integrated Mission in Timor-Leste (UNMIT)

Figure XXI
Audit recommendations issued to UNMIT in 2011 and 2012, by risk category



100. In 2012, OIOS issued 10 audit recommendations and four audit reports to UNMIT:

- *Democratic governance and electoral support (AP2011/682/01)*
- *Fuel management (AP2011/682/04)*
- *Procurement activities (AP2012/682/01)*
- *Gender affairs programme (AP2012/682/04)*

Key results are set out below.

Operational risk

Important recommendations

101. *Fuel management (AP2011/682/04).* UNMIT had developed standard operating procedures to guide staff in managing fuel operations; however, procedures needed to be enhanced since the receipt of fuel had not been properly controlled as follows: (a) there was no UNMIT representative at aviation fuel deliveries; (b) ground fuel was received by unauthorized staff; and (c) the records of aviation and ground fuel receipts were incomplete. Other areas where controls needed to be strengthened included maintaining records of periodic inventory checks, conducting regular consumption analysis and ensuring that fuel equipment was being adequately maintained. These procedures were not consistently performed, creating the unmitigated risk that the theft and loss of fuel would go undetected. OIOS recommended, and UNMIT implemented, measures to strengthen internal controls over fuel, including updated procedures and improved monitoring of fuel consumption.

Investigation activities

102. In 2012, OIOS issued one investigation report related to UNMIT, had four pending and predicated three new cases for investigation.

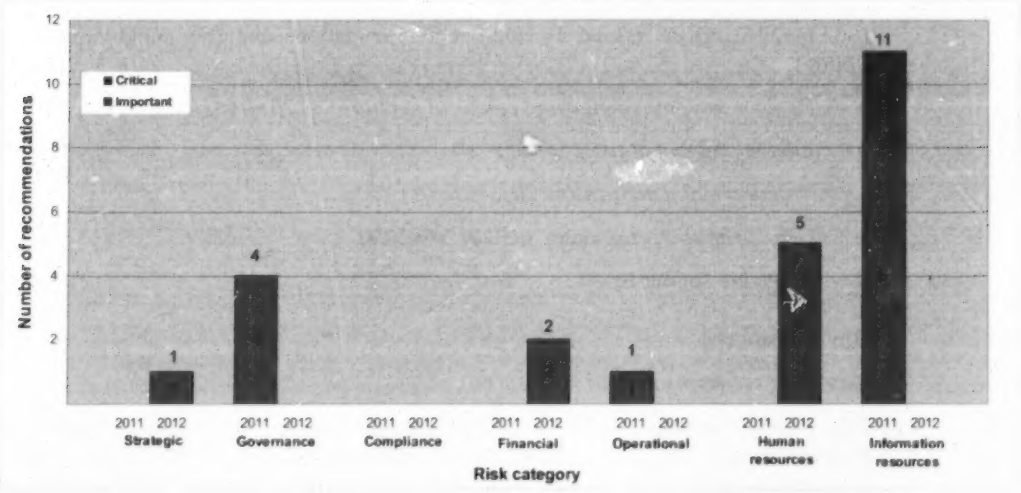
- *Investigation report on procurement irregularities, conflict of interest and unauthorized outside activity by a staff member at UNMIT (0032/10)*

United Nations Office at Nairobi

103. *(ID Case 0238/11).* At the United Nations Office at Nairobi, it was reported that a senior staff member of a United Nations system agency had contracted an UNSOA staff member to engage a third party in harming the head of the regional office of the agency. Host country police subsequently arrested the UNSOA staff member and two local persons, and all three are awaiting trial on a charge of conspiracy to commit murder. The OIOS report has been transmitted by the Department of Field Support to the Office of Human Resources Management and the agency for appropriate action regarding the staff member.

United Nations Operation in Côte d'Ivoire (UNOCI)

Figure XXII
Audit recommendations issued to UNOCI in 2011 and 2012, by risk category



104. In 2012, OIOS issued eight audit recommendations and two audit reports to UNOCI:

- *Recruitment of national staff (AP2011/640/08)*
- *Medical services (AP2011/640/09)*

Key results are set out below.

Compliance risk

Important recommendations

105. *Recruitment of national staff (AP2011/640/08).* UNOCI did not ensure that: (a) vacancy announcements contained all the required mandatory information; (b) vacancy announcements were advertised for a reasonable period of time in order to allow individuals to apply; and (c) reference checks were carried out for all successful candidates. The recruitment of individual contractors did not comply with Administrative Instruction ST/AI/1999/7 since some contractors had been engaged beyond the stipulated time frame. UNOCI accepted the OIOS recommendation, has developed mission-specific standard operating procedures for national staff recruitment and has established a monitoring mechanism to ensure compliance.

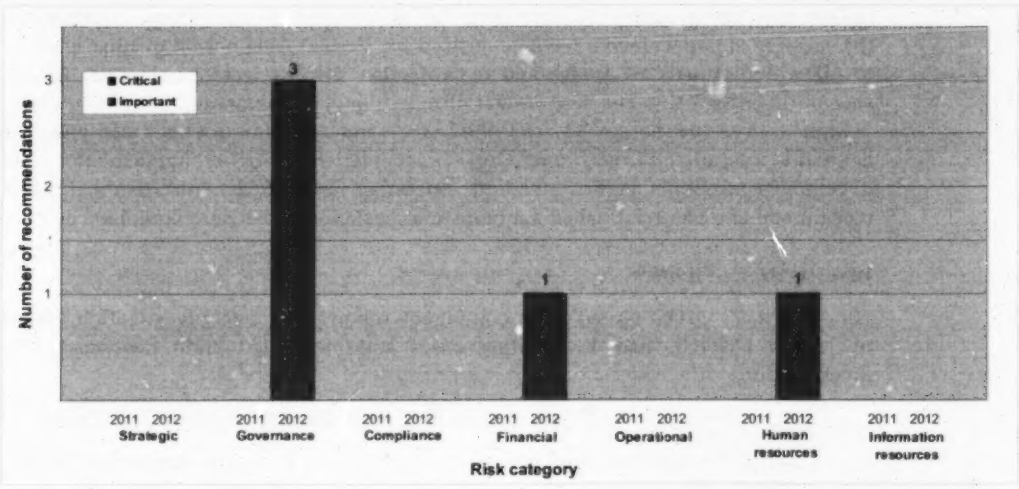
Investigation activities

106. In 2012, OIOS issued four contingent reports and one investigation report related to UNOCI, had 13 pending cases and predicated eight new cases for investigation.

- *Contingent report on attempted fraud by peacekeepers at UNOCI (0525/10)*
- *Contingent report on forgery and attempted fraud by a peacekeeper at UNOCI (0354/11)*
- *Contingent report on sexual exploitation and abuse by peacekeepers at UNOCI (0388/11)*
- *Contingent report on sexual exploitation and abuse by peacekeepers at UNOCI (0002/12)*
- *Investigation report on sexual exploitation and abuse by a United Nations police officer at UNOCI (0604/11)*

United Nations Regional Centre for Preventive Diplomacy for Central Asia (UNRCCA)

Figure XXIII
Audit recommendations issued to the United Nations Regional Centre for Preventive Diplomacy for Central Asia in 2012, by risk category

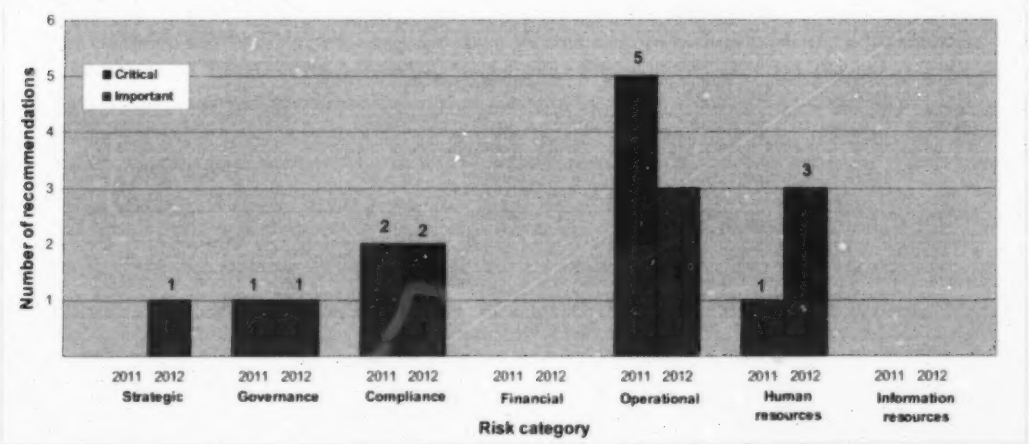


107. In 2012, OIOS issued five audit recommendations and one audit report to UNRCCA:

- *Audit of the United Nations Regional Centre for Preventive Diplomacy for Central Asia (AP2012/690/01)*

United Nations Support Office for the African Union Mission in Somalia (UNSOA)

Figure XXIV
Audit recommendations issued to UNSOA in 2011 and 2012, by risk category



108. In 2012, OIOS issued 10 audit recommendations and three audit reports to UNSOA:

- *Procurement activities (AP2011/638/04)*
- *Portfolio of evidence to support the results-based budgeting process (AP2011/638/06)*
- *Safety and security (AP2011/638/03)*

Key results are set out below.

Compliance risk

Important recommendation

109. *Procurement activities (AP2011/638/04).* UNSOA entered into a contract for the provision of air medical services with a not-to-exceed amount of $4.7 million prior to receiving the relevant local procurement authority from the Procurement Division at Headquarters. In addition, in July 2009, UNSOA had directly procured air chartering services, which are normally procured by the Headquarters Procurement Division. As at April 2011, the cost of air transport services was $4.5 million. UNSOA subsequently requested a local procurement authority from the Procurement Division. UNSOA accepted the OIOS recommendation and stated that procurement actions were now being initiated only after receipt of the proper local procurement authority. In addition, the Department of Management stated that: (a) a new contract for the provision of air medical evacuation services in support of UNSOA had been approved in November 2012; and (b) additional air transport contracts had been established.

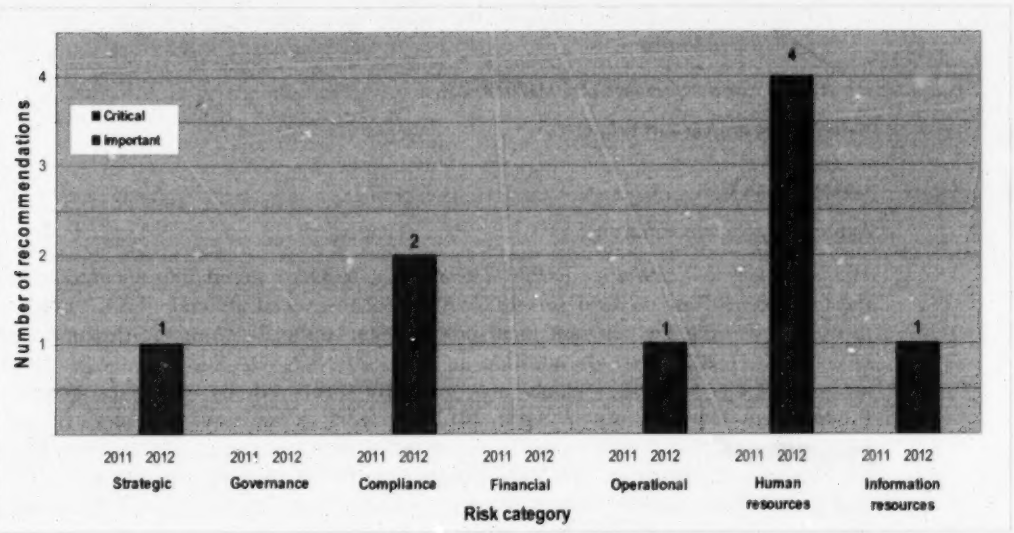
Investigation activities

110. In 2012, OIOS issued one investigation report related to UNSOA, had five pending investigations and predicated two new cases for investigation.

- *Investigation report on misconduct by a staff member at UNSOA (0238/11)*

United Nations Office of the Special Coordinator for Middle East (UNSCO)

Figure XXV
Audit recommendations issued to UNSCO in 2011 and 2012, by risk category



111. In 2012, OIOS issued nine audit recommendations and two audit reports to UNSCO:

- *Human resources management (AP2012/678/02)*
- *Safety and security management (AP2012/678/01)*